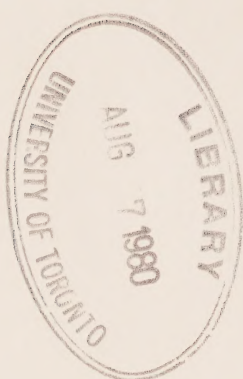


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No. R-25

Legislature of Ontario Debates

Official Report (Hansard) Daily Edition

Resources Development Committee

Estimates, Ministry of Industry and Tourism



First Session, 31st Parliament

Friday, November 4, 1977

Speaker: Honourable John E. Stokes

Clerk: Roderick Lewis, Q.C.

CONTENTS

A list of the speakers taking part in the debates in this issue of Hansard appears, in alphabetical order, at the back of this issue.

Daily contents of proceedings also appears at the back of this issue. Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff. Phone 965-2159.

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LEGISLATURE OF ONTARIO

FRIDAY, NOVEMBER 4, 1977

The committee met at 11:30 a.m.

ESTIMATES, MINISTRY OF INDUSTRY AND TOURISM (continued)

On vote 2203, industry and trade development program; item 4, international industry and trade development:

Mr. Acting Chairman: I see a quorum. In the absence of the chairman and the vice-chairman, I have been asked by our House leader if I would fill in as chairman. Okay?

Mr. Eakins: Excellent.

Mr. Acting Chairman: We are on vote 2203 and I believe Mr. Wildman is the first one to speak.

Mr. Wildman: No, Mr. Bolan was on the list.

Mr. Acting Chairman: Do you want to finish for Mr. Bolan?

Mr. Eakins: He is not here. I think that Mr. Wildman wanted to speak.

Hon. Mr. Bennett: May I take just a moment, Mr. Wildman? I am not sure whether it was you who asked the question yesterday about the cost of the mission. Unfortunately, we are still waiting for some receipts, as you can appreciate, coming in. The projected costs on the portion of the mission that relates to myself and three people in the ministry who travelled with me—and this is not talking about, if I understand your question, the normal trade missions because they are handled through another account, and I can give you that if you want—is about \$13,500 for the four of us on the entire trip for the 38 days.

Mr. Wildman: So that is you and three staff people.

Hon. Mr. Bennett: That is correct—and my wife's expenses were paid for by yours truly. I got the bill the other day for \$1,980.

You asked a second question about the Premier (Mr. Davis). There again, you see, it is strictly an estimate. Maybe it is best that I direct the question to the Premier's office, because these were some figures we tried to draw out, but I have no idea what the Premier's office has.

Mr. Fleck: They are not paid in our vote at all. They are separate.

Mr. Wildman: No; okay. The trade mission to Japan and Hong Kong, do you have the figures for that?

Hon. Mr. Bennett: The technology mission is roughly about \$25,000 for 14 participants. The tourism mission, there were 13 participants and it was about \$39,000. The investment mission; when I say \$56,000 for this one it includes a great deal of things. It includes renting the halls and whatever else has to be involved. The investment mission is one that directly relates to the ministry; it is not the private sector coming with us, it is our own people. Capital projects, eight participants, \$25,000.

Mr. Garland: That one was in the Philippines.

Hon. Mr. Bennett: Yes. The trade mission of 10 people to Iran and that part of the world, \$24,000. That pretty well covers it.

Mr. Wildman: So the total bill for the various missions, other than for your own staff, would be in the range of—

Hon. Mr. Bennett: Just as long as we keep clearly in mind that these are missions that were going regardless of whether the minister or the Premier went.

Mr. Wildman: I understand that.

Hon. Mr. Bennett: So it will be somewhere around \$190,000.

Mr. Wildman: That is just paying for the delegates on the mission? If they take friends or family with them that would be at their own expense?

Hon. Mr. Bennett: Our obligation is singularly the individual who represents the company, providing they qualify. The air fare is an economy return trip ticket; plus, don't forget, if you have eight or nine or 10 people going, there is usually one person from our ministry who is the mission co-ordinator, to make sure that everybody keeps on stream, that everything goes in the direction that it is supposed to be going, that they don't get off on tangents.

If there are any problems it is the mission co-ordinator's job to make sure they are straightened out. If a mission member is

having some difficulties, then it is up to the co-ordinator, as the task man, to make sure that it is corrected as quickly as possible.

Mr. Wildman: Fine. Thank you. I have one short question before we go on to the next vote: I noticed, in looking over the reviews over the last number of years, that there was quite a lot of discussion about a facility that I am familiar with in the riding of my neighbour, the member for Algoma-Manitoulin, (Mr. Lane)—I notice he is not with us this morning—the North Shore craft and work centre. I notice that that is not mentioned in the latest issue. I know something of the background of that centre and I am just wondering if you can tell us what exactly is the situation in regard to that.

Mr. Garland: In effect, it has pretty well been taken over by the college up there and is now being used as an education and training facility for local people in craft work. Our original intent was to try as an experiment the idea of developing the craft centre and a marketing approach—

Mr. Wildman: For the native peoples?

Mr. Garland: No, it was really residents. There was some native craft work involved, but it was basically the residents, the creative people in the area who had no means, evidently, of marketing their products. With some of them, we have been able to establish permanent distribution centres for their products, but the main facility that existed up there and was used is now part of the college for training in craft work.

Mr. Wildman: So the Ministry of Colleges and Universities will then have jurisdiction. Do you have any figures on the number of people who gained employment through your program until they took it over?

Mr. Garland: Directly, there are six employees. Indirectly, there are probably about 25 people for whom we acted as an accumulation centre, working with regular marketing organizations to distribute the products. Many people work in their homes and wish to stay in their homes doing their work.

Mr. Wildman: I notice in the 1975 edition of the review there was some indication if this were a successful operation the ministry might set up a similar one in another area. Has that changed? Has it been determined community colleges and universities should really be handling that kind of thing?

Mr. Garland: I think generally, yes.

Mr. Wildman: I wonder, Mr. Chairman, if the figures the minister gave us on the cost of the trip could be supplied to Mr. Eakins and myself? I'd appreciate it. Thank you.

I can carry the vote if there are no other questions.

Mr. Eakins: In the interest of time, I am willing to approve 2203 if it's in order, so we might move to 2204, unless someone else has any questions there. I have nothing further on 2203.

Vote 2203 agreed to.

On vote 2204, tourism development program:

Mr. Eakins: I have a number of questions for your comment, Mr. Minister. I will try to be as brief as possible. One is rather current and tied in with the announcement this morning in the House by the Minister of Correctional Services (Mr. Drea) regarding the replacing of imported orange juice with Canadian juices. I wondered if you would use your influence to ensure, from a tourism aspect, the Ontario Northland Railway has the opportunity to serve Ontario wine. I notice this service serves only French wine and I thought, while not taking the French wine off the list, why not give the commuters an opportunity to at least enjoy Ontario wine?

Hon. Mr. Bennett: Mr. Eakins, you'll have no argument from me about that situation, because I've raised the same point with the couple of airlines that fly around this country known as Canada.

Mr. Eakins: Oh yes, I experienced that too.

Hon. Mr. Bennett: Without knowing all the facts, it could very well be they're not prepared to get into the small bottles handled on the trains and planes, I don't know. The other thing is, you know, let not government always be telling people what they have to do.

Mr. Eakins: But the Ontario Northland Railway is a little different.

Hon. Mr. Bennett: Well, yes and no. If the Ontario Northland Railway starts to lose money on serving certain things, then we will all be in hot water for that too. But wouldn't you say you are a free enterpriser? So am I. We are great believers in market positions. We are also great believers in the philosophy that if you have a product to sell, your job is to sell it.

Mr. Eakins: Yes.

Hon. Mr. Bennett: Well, I didn't want to embarrass you. My point is, the Canadian Wine Institute, my ministry, Consumer and Commercial Relations, and Agricultural and Food have met on many occasions about many problems. I will inquire of them first as to whether they have put on the sales pitch

to the national carriers, the provincial carriers or whoever else it might be.

Mr. Eakins: Well, I just feel that some—

Hon. Mr. Bennett: You should ask the question of the Ministry of Transportation and Communications and Ministry of Northern Affairs.

Mr. Eakins: Well, yes; but the ministers weren't in the House, I didn't have a chance to do so.

Hon. Mr. Bennett: You will be hearing from them shortly.

Mr. Eakins: Fine! I will ask, because I feel it's important.

Hon. Mr. Bennett: What's been proved this morning is that in the business of the balance of trade and so on, when we have a surplus of tomato juice or a surplus of apple juice, when the public are not buying, we—

Mr. Eakins: Yes, I am not finding fault with this. I am just saying why not give the commuters who ride the Ontario Northland Railway an opportunity to enjoy Canadian or Ontario products along with the imports.

Hon. Mr. Bennett: Provide them with the privilege of drinking Ontario wine.

Mr. Eakins: That's right. I just want to mention the Ontario Northland Railway. I had the opportunity this summer to take the train from Toronto to Cochrane and then the Polar Bear Express to Moosonee and back. It is a good three-day tour. I think it is just excellent. The service was good, although the train, when I was on it, happened to break down for two hours—which didn't matter, I was going nowhere anyway—but even so I thought it was an excellent trip.

I just wonder, is your ministry active in promoting this as a tourism package? Could you enlarge on this? I think there is a great opportunity here, it is a good service.

Mr. Boyer: Mr. Eakins, the Polar Bear Express is one of the most interesting tourism attractions we have. We meet with the Ontario Northland at least four times a year. We bring in foreign travel trade people and travel writers and conduct them on tours of the train. There was a small drop in traffic this year that I hope we can correct another year.

Mr. Eakins: I see further potential in Moosonee for those who want to encourage people to stay over. I wonder if you could comment on further plans in regard to accommodation, or some type of program there to further develop the Moosonee area?

Mr. Boyer: Yes, I can. There are a number of projects along the North Bay Moosonee

corridor that we have identified to the Ministry of Northern Affairs and to which we are hoping they will be able to allocate some of their regional priorities budget. I believe, some seven tourism projects, including means of holding people longer and offering them more things to do in Moosonee Moose factory itself.

Mr. Eakins: Do you feel that there is sufficient publicity given to this three-day tour; a day going up, a day there staying over, and then coming back? Do you feel this is receiving sufficient advertising? I think it is a good facility. You have a good train, good staff; and it is certainly clean. I think it is just an excellent facility.

Mr. Boyer: I think in terms of the facilities available it is getting enough promotion at the present time.

Could I go on to tell you that we are working with the Ontario Northland, and have done so over several years, on Chi-Cheemaun, the Chief Commanda II and now the TEE-trains.

Mr. Wildman: The member for Algoma-Manitoulin would have a great deal to do with Chi-Cheemaun.

Mr. Boyer: Yes, he would.

Mr. Eakins: I would just like to go on, there are a few other things I want to mention. I wonder if the minister could comment on the functioning of the regional tourist councils. I have had many letters, not just from my own area but other parts of the province, in regard to many of the individual tourist councils. The feeling is that some of the initiative has been removed from them by being part of the larger tourist council.

Hon. Mr. Bennett: I can only report in a positive way that it seems, from our assessment and discussions we have had with people from your area and other areas to be getting to be a better service organization in co-ordinating the efforts of the tourist promotion in a given region.

The fact remains very clear that if people don't want to work together there is nothing government or anyone else can do that will make them. We have only one area I know where there seems to be still some degree of confusion or in-fighting.

Mr. Eakins: Are all regions under the plan? [11.45]

Hon. Mr. Bennett: The 12 of them are under the plan. They seem to be very pleased with the financial breakdowns that we have afforded them. We have not changed them in the current year and are not likely to change them.

The fact is there has been encouragement for them. While the membership sales have not been as successful as most would like to see them, at least they appear to be moving in the right direction.

But they are working. I think one thing we are starting to see is better quality of literature in the description of the tourist attractions in the various regions they cover, which is a long way from where we were five years or three years ago.

Mr. Eakins: What method do you use to encourage the use of some of your information where you publish the various tourist facilities? Are all the tourist operators aware of the advertising available through your information services?

Mr. Boyer: First of all, Mr. Eakins, the travel associations, of which our field consultant is an ex officio member of the board, the travel associations are well informed of all of your programs.

Secondly, we meet with them continually through the major trade associations in the tourism industry, the Northern Ontario Tourist Outfitters, the Association of Tourist Resorts of Ontario, the Ontario Hotel-Motel Association and Canadian Restaurant Association. All these groups are joined together in one umbrella organization called Tourism Ontario. So to the extent individual operators are members of these organizations they are very well informed. Those operators who choose not to be members are kept informed to a degree by our field consultants.

I have a publication that describes the work of the division that goes out to the industry. I wonder, Mr. Chairman, if members of this committee would be interested in having one of those. It is called "Two point eight billion dollars."

Mr. Acting Chairman: I think they would.

Mr. Eakins: I might move on. One thing I would like to ask is about the Ministry of Industry and Tourism involvement with the other ministries. I am thinking, in the promotion of tourism, of working with Ministry of the Environment people. Some of the problems that concern tourist facility operators in our area is the clearing up of the lakes, the weed problem. I am wondering if you could comment on your involvement.

I am thinking of the village of Bobcaygeon, on a very vital point of their sewer services. I can't think of any community that is more directly on the water than this community. They are having quite a time in getting these services in good order so as to play their part in keeping the lakes clean.

It seems to me this would be one area in

which I would hope there would be some push from the Ministry of Industry and Tourism, without involving yourself too much in the affairs of another ministry at least to say: "This community deals almost 100 per cent in tourism, and therefore if they want to do their part in cleaning up the lakes they should be given some priority."

Of course that is an area in which the people are very concerned as to the condition of the lakes.

Mr. Boyer: Mr. Eakins, in direct response, our greatest input on that particular subject is through the Canada-Ontario Rideau-Trent-Severn agreement board.

Mr. Eakins: Right, CORTS.

Mr. Boyer: On which our division is represented.

On the general question of co-operation or dealing with other ministries, Mr. Bennett mentioned a number of permanent inter-ministerial committees. We don't have the arrangement with the Ministry of the Environment; but of course working in the field, before licensing or permitting expansions we of necessity consult with them.

Mr. Eakins: Another area, too, is with the Ministry of Natural Resources, and the question of the water-lot leasing, which is causing a lot of concern or interest among the commercial people. Many of the people feel that with all the extras in taxes, et cetera, and the problems they are having at the present time, that water-lot leasing is going to be just another added expense.

Do you have any comments on this? Have you discussed this with the Ministry of Natural Resources?

Hon. Mr. Bennett: Are you talking about water-lot leasing for private or commercial use?

Mr. Eakins: Commercial, at this stage.

Hon. Mr. Bennett: If the commercial lease relates to the tourist industry then we will be involved in giving an opinion on its practical location. Also we will look at it to see if it is in keeping with the zoning, if there is any zoning in that particular community; and there again the Ministry of the Environment will be brought into the question.

So all the ministries are canvassed before a decision is made on a commercial operation by the Ministry of Natural Resources, we work together in that respect. As for pre-judgement, in other words if somebody makes an application to try and lease a lot for commercial purposes or if the govern-

ment has a lot it wants to lease for a commercial purpose, we will have an opportunity to express an opinion.

I say this, in fairness and frankness to the Ministry of Natural Resources, they may still decide, for reasons of their own, to move forward; but if the Ministry of Industry and Tourism, the Ministry of the Environment and the Ministry of Transportation and Communications come in with very negative reports, you can be sure they are not going to move into that field against very stiff opposition.

Mr. Eakins: What about Transportation and Communications? We often have complaints about the costs at the service centres on Highway 401. Are these not under the Minister of Transportation and Communications?

Hon. Mr. Bennett: As you know we have tourist centres during the summer period. Some of the service centres along Highway 401 have space that is allocated to us.

Mr. Eakins: Do you receive many complaints about the quality of service and the gasoline prices, et cetera?

Hon. Mr. Bennett: Not the service, we have not had too many on the service. We have had complaints about the quality of food, the price of gasoline. We have had some complaints about the cleanliness of the washroom facilities; the service "in house" if you wish to call it that. But if it is the restaurant or the gas pump you are referring to, then we have not had complaints on those two.

You will recall back a year or so ago we were very involved in discussions of the Ministry of Transportation and Communications with the petroleum companies, relating to the price of a gallon of gasoline, along Highway 401 in particular and along other four-lane highways. Some adjustments took place, from what I understand, on contractual relationships between the Ministry of Transportation and Communications and the petroleum companies, so that where at one time we used to get X percentage, or cents on a gallon of gas, whatever it happened to be, the price was to rise, and the government was getting a bigger and bigger piece of the action even though not really having produced any more petroleum through the pump.

Mr. Eakins: Of course, along Highway 401 is one area in which we can make or break our tourist image, because visitors to Canada are captive there. I think it is important that there be a close relationship with your ministry and the Transportation and Communications people, because this is often where many people form their image of Ontario when they are visiting.

Hon. Mr. Bennett: On the other hand I think the travelling public has a responsibility to make their views known beyond complaints to politicians.

When people tell me the washrooms in such and such a place were dirty, or not properly attended to, I say to them: "Fine, it is great to tell me, but did you tell the petroleum company?" Ten chances to one they have a credit card with that petroleum company, that is why they stop there. There is nothing wrong with sending the petroleum company the same little note they pass on to the politician: "I think your facilities are deplorable."

Mr. Eakins: Absolutely.

Hon. Mr. Bennett: Then we have two-way action, which sometimes brings a little more reaction from the principal source, being the petroleum company or the lessee, than if there is just one voice being heard.

Mr. Eakins: There are many parts of the province that have places of historical significance that would like to give their community a little prominence for visitors. Do you have a close relationship with the Ontario Heritage Foundation? Do you make recommendations to them?

Mr. Boyer: We have a continuing inter-ministerial committee with the Ministry of Culture and Recreation, and the Heritage Foundation is part of that ministry of course.

Mr. Eakins: So if you find there is a community that could receive a shot in the arm on tourism by getting support for a particular project then you would be active in working in recommending to the Heritage Foundation?

Mr. Boyer: Yes. One specific example involved restorations and acquisitions at Cobalt. Funds were made available from the Ministry of Culture and Recreation, but direction came from us to come up with a plan for acquisition and preservation of the historic mining buildings; indeed one of the mines and the Hydro Ragged Chutes blow-off. The funds came from them and the study was directed by us; it is that kind of partnership.

Mr. Eakins: I realize it is sometimes difficult for your ministry, in co-operation with other ministries, to avoid reaching the point of—not interfering with operations, and I am thinking of package tours across the province—but if we are going to encourage people to travel on package tours, I think there are some areas in which the red tape should be cut. I would hope that whenever possible your ministry would give every support to this.

I am thinking in particular of a carrier

in the town of Lindsay called Denure Tours, which is perhaps one of the largest package tour operators in the province. To satisfy the regulations of the Highway Transport Board, the company cannot, for instance, pick up a group of people in Toronto; it must pick them up at the various locations or pay their way to Lindsay where they stay overnight in a motel and then leave from there.

Although this is a regulation of the Highway Transport Board it is crazy, if we are trying to promote package tours; especially one of this size. Would you become involved, or would you suggest to the transport board people that they should accommodate this type of facility in the interest of tourism?

Mr. Boyer: We have worked with the Highway Transport Board on a number of cases. I wonder, would you repeat the name of the Lindsay company?

Mr. Eakins: Denure Tours, one of the largest carriers in Ontario. They do a lot of advertising and they are very busy.

Mr. Boyer: We have not had all the success we might want. For instance, we have made representations to the board concerning the Gray Coach monopoly within the city of Toronto. If a New York bus operator brings a group to Toronto, he must park his bus at his expense and use Gray Coach, from which he earns no money. I think it is the kind of thing you are talking about. We have tried to change the attitude of the Highway Transport Board and will keep trying.

Mr. Eakins: What is happening in the package tour industry in Ontario? Do you see an increase in it?

Mr. Boyer: That is really quite a happy story. Seven years ago the number of Ontario packages put together by wholesalers, and sold by retailers, primarily outside the province, might have been a dozen. Maple Leaf Tours, a subsidiary of CN, comes to mind. Since that time we have put emphasis on the subject ourselves, as has the Canadian government office of tourism, and concurrently many tour operators and wholesalers in Ontario have expressed an interest in the Canadian product. In the past all they seemed to be interested in were packages to theatres in London, or a couple of weeks in the Caribbean. My memory is that our travel trade manual, which contains all packages available including this province, began about four years ago with some 40 packages and must be well in excess of 300 by now.

Another good thing has happened in this connection. There was a time when our own operators did not like to pay commissions to travel agents; that attitude seems to have

completely changed, so that's a very healthy, growing aspect of our business.

[12:00]

Mr. Eakins: Perhaps I can ask one more question—I don't want to monopolize the time; I know that our hours are short and there are others who want to ask questions soon—and, if time allows, we can always come back to it.

I just want to ask again what the view is of your ministry in regard to the sales tax on accommodation and other things associated with the tourist industry. Have you given any consideration, during certain times of the year, to reducing or eliminating the sales tax on accommodation and perhaps on other items such as boat and motor rentals and bait and other things, which might get a bit of a break in the interests of tourism?

Hon. Mr. Bennett: A fundamental requirement of our life and our society is taxation if we are to continue to exist; so there is no sense in constantly trying to look at what we can eliminate tax on.

The pitch that I made to the Treasurer is that the taxing in this industry should not be any greater than it is in any other sector of the economy. In other words, I do not agree with a 10 per cent food tax. Seven per cent, to me, is realistic. If we pay seven per cent when buying a fur coat—and I have used this analogy before—then why in heck should I pay 10 per cent to have a meal? One is not really an essential of life, while the other is rather important about one's survival. That's the pitch we're making at the ministry; we are still after the Treasurer to give some further consideration to reducing the food tax in hotels, restaurants, and so on, to seven per cent.

The other thing is that we would like to see the exemption factor on food, which is a very important part of the tourist industry, raised to \$7. In other words, any meal below \$7 would not be taxable.

The third thing is that the seven per cent tax would apply only beyond \$7. In other words, if your meal is \$10, you would pay tax only on a \$3 portion of it. I think that's the way it should be. That, to me, is a step in the right direction in trying to assist the food industry and the tourist industry.

We have removed taxes on a great number of things that relate to the tourist field—disposable items at McDonald's and other restaurants or soap and things in motel rooms which are disposed of once an individual has gone. We have got the Treasurer up to a \$6 exemption on the food, but, unfortunately, we have still the 10 per cent and if you have

a meal costing \$6.01, you still pay tax on the whole bill of \$6.01. But we're still working on those two aspects.

We have been asked, along the line of questioning this morning, John, if we have given consideration to giving an exemption to room tax when a room is used by other than a Canadian. My answer to that is an absolute no. There is no way I am going to have a Canadian sitting in room 701 in the Royal York paying room tax and someone who happens to come from other than Canada sitting in room 702 and not paying the tax. The fact is, the tax is a requirement of keeping this municipality and this province moving.

There are a great number of services that are given to a tourist, whether I am a tourist in his country or he is a tourist in my country, that you and I have to agree to pay in the general tax bill—highways, policing, hospital services that are there available 24 hours a day, all the environmental requirements and whatever else you want to name. Those are there, and I think you have to get a tax from some source but I think there has to be a more moderate position taken in terms of the percentage of tax.

Mr. Eakins: Do you still collect a tax on boat and motor rentals? What about bait? Is it still taxed?

Hon. Mr. Bennett: Not being the Minister of Revenue, I am not sure whether bait is taxed or not. I am not a fisherman either.

Mr. Eakins: I have been told by a number of operators that it is.

Mr. Wildman: At seven per cent?

Mr. Eakins: Since it is a short season when these things can be used—and they are certainly associated with touring—would this perhaps not be a sensible area to look at in terms of an exemption?

Hon. Mr. Bennett: It could always be looked at. There is certainly no problem there. But then we come back to it, and the problem is where do you stop with exemptions? You get so many exemptions you have to increase the tax by one or two per cent to offset the exemptions.

Mr. Eakins: I have plenty of other questions, but I'll pass.

Hon. Mr. Bennett: You should keep pushing the tax one because I think the whole industry is rather supportive of the position this ministry is taking. I see the Treasurer (Mr. McKeough) is going to be speaking to the Canadian Restaurant Association in a couple of weeks time. It won't be beyond me to send him a little letter to remind him he is the fellow who can do it.

Mr. Wildman: If I could carry on from Mr. Eakins' questioning in that regard, as to the relationship between the tourism branch and the other ministries that obviously have a great deal of effect on tourism in this province, I would like first to deal with the Ministry of Natural Resources.

Certainly in my area of the province, where tourism is a very important industry, traditionally tourism has been advertised and promoted on the basis of wilderness, hunting and fishing. That, of course, involves the Ministry of Natural Resources, and also the Ministry of the Environment to a certain extent as well. It has been suggested there has to be a great deal of liaison between your ministry and the Ministry of Natural Resources if that industry is to remain viable, in northern Ontario especially. I would like to throw out a few things and then get your comment on the relationship.

I am looking at the NOTO Tourist Outfitters, which I am sure you are familiar with, of May, 1977, in which Mr. Dean Wenburne wrote a long article entitled, "We Have a Future, Don't We?" He is dealing largely with the problem of wildlife management and how it affects the tourist industry. He points out in the article that tourism has been marketed in northern Ontario largely on the basis of hunting and fishing. We seem now to be running into a problem in the north, especially in my area which is a gateway for the central United States, people from Michigan, Ohio, so on, in that there just aren't as many deer, moose and fish left.

Hon. Mr. Bennett: Have they all gone?

Mr. Wildman: We would like to know where they have gone. I think everybody recognizes this, whether they are in the tourist industry or whether they are in natural resources, or whether they are just local residents who have lived for a long time in the area. The Ministry of Natural Resources has been looking at a number of ways of trying to preserve the fish and game we have and to try to replenish it. Their fish stocking program is a complete failure, they admit this. Only about half of one per cent of the lake trout planted, for instance, survive to maturity.

The moose season has been cut, we have resident and non-resident seasons of different lengths. Deer aren't available in the area very much, except in particular, small, confined areas. The Ministry of Natural Resources has talked about shortening fishing seasons, about further shortening or cutting off of the game seasons in some cases. This presents a serious problem.

Obviously, in the long term, if we continue

to market tourism in our area in northern Ontario on the basis of hunting and fishing, we have to preserve and replenish the game and the fish. If, however, we use the tactic of shortening seasons in order to do that, then in the short term that is going to have a detrimental effect on the industry if it is promoted in that way.

Mr. Wenburne makes some interesting suggestions of disagreements with the Ministry of Natural Resources on management tools and the methods used, and it's not just people in the tourist industry but northerners in general who have extensive criticism of the methods the Ministry of Natural Resources uses. Everybody has ideas about how it might be improved, and I won't go into those here because obviously that is something that should be discussed with Mr. Miller, but I would hope your ministry is discussing those things with him.

I just want to quote a short comment from Mr. Wenburne. He says: "For many years we have criticized the Ministry of Industry and Tourism for refusing to acknowledge and come to terms with the fact that our businesses were based on providing a reasonable fishing and hunting opportunity. They do not recognize this fact. They choose to play it down. We have heard for years how we must diversify to survive—a tacit admission on their part that they did not believe that the necessary resources could be maintained."

Then he goes on to talk about the suggestions that have been made by people in your ministry and by people inside and outside of the industry, myself included, that northern tourist outfitters are going to have to look at more family-based types of programs that would attract people to the wilderness for the sense of scenery and hiking and just to enjoy the wilderness, not necessarily being based on just looking for the sportsman to come in. I think that is important and something that we should continue to look at.

In talking to tourist outfitters in my area who have gone this route, and are trying to attract families, they have installed playground facilities, they have hiking trails, saunas and a number of family type facilities. They still say that the American, from Michigan and Ohio and Pennsylvania and that area, who is looking to come to northern Ontario is looking to come for the reasons that he has done in the past, the same kind of reasons, and that is hunting and fishing. So they are caught in the bind of trying to adapt themselves to a situation and yet the

expectations of the people that they are trying to market their product to remain unchanged largely.

I would like you to comment if you could, too, on what different kinds of promotion you are doing, as well as the discussions you have had with the Ministry of Natural Resources, what different kinds of promotion you are doing in Ontario within the industry and in the United States and Europe to try and perhaps attract a different kind of tourist to the area who is interested in our wilderness but not necessarily wanting to go home with a bear on top of his car, or something like that?

Mr. Wenburne invites your ministry to "join with us in convincing the Ministry of Natural Resources to institute other management techniques than shortening seasons. Further, the Ministry of Industry and Tourism can assist immeasurably in the role of tourism and industry spokesmen where it counts, at the management board and policy level."

There has been a long period of criticism in the north about the fact that the money from hunting and fishing licences does not return to the north in terms of management expenditure. Mr. Bernier also agrees with that, as a matter of fact, and has said so when he was Minister of Natural Resources. Be that as it may, I would like your comments on this and what your feelings are and what you are doing regarding marketing within and without the industry.

Hon. Mr. Bennett: Mr. Chairman, first of all, this ministry over the last number of years has not promoted the north on hunting and fishing.

Mr. Wildman: No, when I said that, Mr. Minister, I meant the individual outfitters themselves in their advertising.

[12:15]

Hon. Mr. Bennett: They do. I will agree. We had long meetings with the Minister of Natural Resources and NOTO and I will be meeting with them again very shortly.

It is great for us to sit there, as tourist promoters or developers or whatever you wish, and have people call the ministry, and have experts who sit here and tell them about wildlife, how it is brought into being, how they preserve it; and how they can try, through fish hatcheries and so on, to upgrade the quality. I must admit my people have not tried to participate in that discussion from a knowledgeable point of view; they are not knowledgeable and they admit it.

If laymen, the men who run the resorts, want to get into the argument and tell the

experts how things are to be done, that is their option. We have felt that the Ministry of Natural Resources should try to stock some of the lakes and preserve some of the wildlife in the province. We can get into the argument both ways; whether there should or should not be residents' periods versus non-residents' periods, and it depends on whether we are facing an election or whether we are not facing an election as to what opinion is going to be.

Mr. Wildman: Also how John Rhodes and Leo Bernier feel about it.

Hon. Mr. Bennett: To some degree; but they represent the public and the voter, they are no different from the member for Algoma in that regard. You ask anyone a month before an election whether we want to take off the non-resident period and you will hear a rather interesting explanation on what one thinks.

Mr. Wildman: That's right, I was just going to say I would agree on that.

Hon. Mr. Bennett: We are to the point that the then Minister of Natural Resources came to us and said the fishing season was being reduced by a few days at each end, and all hell broke loose; and still the same people who complained of the reduction were telling me about the fish disappearing from the water system up there and how it was now detracting from tourism. You can't have it both ways. You can't say to me preserve the stock and at the same time have a virtually unlimited catch and an open season in which to make it.

I must admit at the time the Minister of Natural Resources was reducing the fishing season he also reduced the number of fish that one could take home on ice.

Mr. Wildman: Per day, yes.

Hon. Mr. Bennett: There is no real simple answer to it. More and more people are involved, the traffic on the Sault Ste. Marie bridge was up 10 per cent this year. There is no way you can have more and more people going to the same waters, and into the same forests for hunting, and expect to have the same amount of wildlife and fish left. I do not imagine the regenerating of fish and wildlife takes place quite as rapidly as hunters sometimes are successful in picking them off.

Mr. Wildman: We don't have trouble with bears right now, we have lots of bears.

Hon. Mr. Bennett: As long as there are garbage dumps we seem to have some participation by bears.

The next question was: "What are you doing then, to try and offset it?" We have

strongly suggested to the tourist operators that they are going to have to diversify. First of all, because we sense an interesting change in attitudes in the consuming public; it is not acceptable in this day and age, for father to go away and hunt or fish for a week by himself with the rest of the fellows. We see a change in that families wish to go away and hunt—or not so much hunt but fish for a day—and then they want to be able to do some of the other things in an environment that is much more relaxed and pleasant than maybe living in Detroit or Chicago, or some of the other places in the mid-west.

We have advertised northern Ontario on exactly that scale, the freshness of life. We spend 26 per cent of our budget in advertising and promotion on billboards, radio, and TV, related singularly and specifically to northern Ontario. The theme is the pleasantness of life in the north.

Then again, if you are living in Chicago or Detroit and somebody shows you an open lake which is clean and has no smoke, and all the other things, it can be rather appealing if you have spent 50 weeks of the year walking through conditions that aren't pleasant.

Mr. Wildman: Smog.

Hon. Mr. Bennett: Oh, I'd be careful, I don't want to offend my friends in Detroit. They are still pretty good auto makers, or auto decision-makers.

So our advertising has been very specifically related to that; but we have tried to stay away from the natural resource thing, such as fish and wildlife.

Mr. Wildman: I just wanted to say that after reading many descriptions like this and talking to many tourist outfits that it is obviously going to take education within the industry as well.

I think many of them understand and are moving in that direction as quickly as they can. But it is pretty tough to re-orient a resort if you have had an outfitting business for a long time.

Mr. Boyer: Yes, I think in that particular case it's a two or three generation deal. We've had long talks with Dean, before he was executive director, when he was a private operator. He's got some very valid remarks. The interesting thing is that it's never the industry that should pay for anything, it's always the Ministry of Natural Resources footing the bill.

Mr. Wildman: They do have a point. I think the local residents of the area, as well as the tourist outfitters, would agree that they don't think that they're getting—well

Mr. Bernier agrees with them that they don't think they're getting a fair return on the amount of money spent on licences.

Hon. Mr. Bennett: No, that's not what he said. He said the specific allocation from licence fees didn't go back; and that's right, because that's not the financial processing of this province. But if it does come to that, if we do want to get that parochial, my community and your community are going to suffer very badly.

Mr. Wildman: It wasn't just the area idea, it doesn't necessarily have to be the north, the idea was if you're getting so many thousands or millions in licences a year—

Hon. Mr. Bennett: Not thousands of millions.

Mr. Wildman: Or millions, I said. I don't know what the figure is, but if you're getting that in it would be nice if a similar amount was allocated to the area.

Hon. Mr. Bennett: I want to ask you, who do you think pays for conservation activities in these areas? Who do you think pays for the wild life inspectors and all these people?

Mr. Wildman: I'm not trying to be over-critical, I understand all that.

Hon. Mr. Bennett: No, what I'm trying to get at is that my ministry hears it so often, particularly from Toronto, that they should get all the room taxes for their convention authority down here. You know if that were the case the rest of the provinces would virtually go without a dime.

Mr. Wildman: I don't want to be on this too long, but there are a couple of other problems, that I'm sure Mr. Boyer is well aware of, on the relationship between the tourist industry and Natural Resources, other than wildlife management; for example road access to lakes and clear-cutting as opposed to lot-cutting in the timber industry. I don't think many of us would disagree with the argument that if public moneys are spent on a road, then the public should be allowed to use it.

This then leads to a problem, for as the timber industry becomes more efficient, in terms of machinery and output, they're moving to wider and wider areas, more quickly in harvesting—it would be nice if they were doing the same with regeneration, but that's an aside. Harvesting, however, presents a problem to a person who is operating a wilderness fly-in or canoe-accessible type of program on a lake. Then you have the other side, I mean there are good points on both sides of the question. I've had many cases in my riding where it has been a dispute

between the timber industry and the tourist industry, and the local hunter who says: "Well, there's a road in there. MNR put some money on it. That's my taxes. I should be allowed to go in there, drive my truck in or my dune buggy, and then use it to go in and hunt, or go in and fish." What kind of liaison do you have in those kinds of problems with MNR?

Mr. Boyer: I can only respond to one part of that. That's where a road is built for timbering that allows the public to go in to a place that used to be accessible only by water—

Mr. Wildman: Right.

Mr. Boyer: —or by air, the position we've taken is, that's too bad for the particular operator, but we have no desire to take that new recreational opportunity away from the general public.

Mr. Wildman: I appreciate that answer, but the problem for the outfitter, of course, especially with the development of snowmobiling, is you've got the winter fishing problem. This has become a great sport in the north, and lakes are being harvested, if you want to use that word, in January and February that seldom or never were before, except for a few people who would go in. That's a very serious problem. I really don't know how you deal with it, especially when someone has had a lease from MNR for a fly-in camp on the understanding that he is going to have a lake that is very hard to get to. Suddenly he is going to have an onslaught of competition.

Hon. Mr. Bennett: We sympathize with the operator and that's all we can do. The fact is that times change and conditions will change with them. I know many of the operators come in and say, "Can't you prohibit anybody from using a particular lumbering or logging road?" That becomes another policing problem. Sometimes we don't have any funds in at all. It's entirely privately-owned, by the lumbering company.

Mr. Wildman: I have been involved with a particular instance where there were public funds spent on part of a road, the rest of which was private and now leads into a lake that has been closed. The locals in the area are very angry about it being closed and they have reopened it a number of times. It has been closed, I think, seven times; and I think the locals have rebuilt quite an extensive bridge five or six times.

Mr. Boyer: I think we've seen correspondence on that particular one.

Mr. Wildman: I won't go into that any

further. One other thing was native treaty rights. Let's say there is a problem with a particular lake, so tourist outfitters and other people have gone down to MNR, whose studies have substantiated that there is a problem. So they then are thinking about shutting down the season, or shortening it or whatever. Then, they come into conflict with native treaty rights, because the treaty, especially along Lake Huron from Parry Sound and Lake Superior up to the Thunder Bay area, states that native people who are treaty Indians have the right to hunt and fish on Crown lands that are unoccupied. This has led to a dispute in our area, between tourist outfitters and the treaty bands.

It is unfortunate. I wonder if your ministry in any way deals with negotiations, or if that is all left up to the tourist outfitters, MNR and whatever other groups are interested. Is that just up to Natural Resources?

Hon. Mr. Bennett: I am not sure if I follow your question completely.

Mr. Wildman: If you have a number of people, including the tourist outfitters, who are asking for a certain management technique to be used and there is a dispute over it, do you get involved in the discussions and meetings, or is that just between Natural Resources—

Hon. Mr. Bennett: It could very well be raised at the meetings we have on an ongoing basis with Natural Resources. If it deals specifically with treaty rights, we are not likely to be too deeply involved, other than in a peripheral way where we might make comments, or we might receive a bulletin relating to it. When it comes to treaty rights, it usually relates to the Attorney General and what the treaty rights are. We have no way of restricting native peoples' rights.

Mr. Wildman: I don't think we would want to, I hope not.

Hon. Mr. Bennett: No, if we reduced the season, that is not applicable to the native people. It is applicable to you but not to the native people.

Mr. Wildman: Well with my name, sometimes I think it is applicable to me too. One suggestion that has been made by a number of tourist outfitters to me, and one that I will raise in Natural Resources estimates, is that we should be going to Natural Resources suggesting that since they have a shortage of conservation officers and they have such a wide area to cover, perhaps they should do what was done in the midwest of the United

States, where a number of states required non-resident hunters or fishermen to hire a guide. That guide is unpaid by the ministry, he is paid by the people who are hiring him, but he is a deputy game warden responsible for ensuring that the people he is guiding follow the game laws, don't break any of the game regulations and if he is involved in a situation where those regulations are broken, and he knows about it and he doesn't do anything about it—doesn't report it or anything—then he loses his licence; and as a result, of course, he would lose his job, he wouldn't be able to guide any more. We do have guides in our area. It's not required, of course, for a hunter or a fisherman to hire a guide. It's a good idea, considering the number that get lost.

[12:30]

Hon. Mr. Bennett: You'll admit that there are some areas of this province where you couldn't hire a guide if you wanted to.

Mr. Wildman: No, that's true.

Hon. Mr. Bennett: Yes, so you see if you lock yourself into a policy then all of a sudden you restrict the whole tourist industry, because you can't find guides to fulfil the responsibility. It's an idea that certainly could be taken into consideration but let's not forget that every time you do it it adds another cost to the tourist program—

Mr. Wildman: Yes, that's right.

Hon. Mr. Bennett: —and the buyer will say, "I can go to another place that's cheaper, so forget about Ontario." You have got to be careful that, while the idea and suggestion would create employment and an opportunity for maybe better conservation attention and better rules attention, it may also eliminate the tourist interest in the area.

Mr. Wildman: Sure, I understand that. The other thing, of course, too, is that it may actually help the hunter to get his moose if he has a guide rather than if he sat there wandering around lost. I have two other questions, but the one I want to deal with—I asked Mr. Boyer about this earlier—is in relation to your marketing and your studies of the 17 zones in the province. One of them is the Wawa-Sault Ste. Marie zone, where you've done the Balmer-CRAPO report, and there's another one in eastern Ontario, I understand, as well. Could you tell me what the timetable is for the completing of the studies in all 17 of the zones, and could you also tell me what kind of reaction you're getting in the areas where the studies have been done from the tourist outfitters, the municipalities and so on?

Mr. Boyer: As to the timetable for all 17 zones, no, I can't give it to you, Mr. Wildman. It depends on funds. We've made a recommendation to the minister that next year we study one of the corridors, and in this particular case we have in mind the North Bay-Mosoness corridor. It may be that we will be able to afford one or two zones. With regard to the attitudes, we've now presented three zone plans to the public, and I'm quite sure you attended the Sault Ste. Marie meeting.

Mr. Wildman: Yes.

Mr. Boyer: I've had reports on meetings this week that have been held in Cornwall and Arnprior. There is a meeting tonight in Kingston. In all three cases—that is, Sault Ste. Marie, Cornwall, Arnprior—we had a very positive reaction from the public. The public and interested operators were consulted in the first place and this is, in a sense, a report back to them. The minister has taken one further step with regard to Sault Ste. Marie—Algoma and that is to suggest the formation of a local implementation committee. We have not had as rapid a response on that one as we had hoped, but at this moment in time I understand that the potential chairman—I don't think he's accepted or indeed been offered the job quite yet—has located an automobile dealer in Sault Ste. Marie.

Mr. Wildman: Franklin Prouse?

Mr. Boyer: Yes.

Mr. Wildman: He's related to the Premier.

Mr. Boyer: What?

Mr. Wildman: He's somehow related to the Premier. I'm not sure exactly how.

Mr. Boyer: The local manager of the Federal Business Development Bank—I never know what the new initials are—has also agreed to join. The possible chairman is Dave Little, who operates Travel Algoma—

Mr. Wildman: He's a good friend of mine.

Mr. Boyer: —a travel agency, and three fine camps, and Dave is now trying to broaden the number. One thing that was reported to me is that he doesn't want to make it the Algoma/Kinniwabi Travel Association. You know, you could have one or two members from that.

Mr. Wildman: Right, it's important that that be the case.

Mr. Boyer: You get a broader input. That's where the three completed zone plans now stand.

Mr. Wildman: I personally was quite im-

pressed with their presentation and their idea of an accessible wilderness. Certainly the scenery between Wawa and Sault Ste. Marie is probably the most beautiful we've got in Canada east of the Rockies.

It was a good idea. I've heard some criticism, however, from some of the municipal politicians who are saying that with the economic squeeze they're in right now they see some difficulties in implementing some of the proposals, for instance, the idea of developing the mines around Bruce Mines and that kind of thing. Also, there are some very serious criticisms about the idea of a golf course in the Thessalon area. They just don't seem to think it's a viable proposition that far from Sault Ste. Marie and so on.

Mr. Boyer: If they don't think it's viable, I doubt if it will go. We are aware, since the plan was presented, of at least half a dozen major potential investors, of whom perhaps you're aware too, with whose backing it would go in the direction of what we discussed earlier, namely less dependence on hunting and fishing and a more diversified, indeed year-round experience in Algoma.

Mr. Wildman: Yes, that's what I was going to lead to. That area has the highest mountain peak in Ontario; I was wondering whether the King Mountain might be developed?

Mr. Boyer: It's alive, and we've got a couple of other major points of interest in that area.

Mr. Wildman: How much did the CRAPO study cost?

Mr. Boyer: I cannot answer that. The three zones cost \$120,000. I'll get you an answer on that particular one.

Mr. Wildman: We're talking in the range of about \$40,000.

Mr. Boyer: I would guess so, and that might well have been the budget of a year back.

Mr. Wildman: The one other thing I have in relation to that is the marketing question. I know Algoma Kinniwabi in our area has certainly done some extensive marketing in the United States this year and done more TV marketing than they had done previously.

Mr. Boyer: They should claim that that's the reason for the 10 per cent increase.

Mr. Wildman: It has gone up in our area, I agree, although we did have a lot of rain. You made a comment in the spring about the need to market in the United States and the need to really step up our marketing program because of the poor years we've had. I'm just looking at tourism market development in the

estimate figures and I see that this year you're talking about \$6.88 million. That's approximately \$400,000 up from last year. Could you tell me what the extra \$400,000 has been spent on and if that's what you consider to be a significant increase in the expenditure in that area?

Hon. Mr. Bennett: Let me just try to get hold of the section you're speaking of, Mr. Wildman, so I can explain it. You are referring to the \$384,000 increase; we've got salaries and wages \$230,000; we have in services, \$1 million; transfer of payments, \$108,000.

Mr. Boyer: If I could explain that—

Mr. Wildman: Yes.

Mr. Boyer: You notice there's an increase of \$1 million in services.

Mr. Wildman: Right.

Mr. Boyer: And a decrease in supplies. That's because this year we're calling literature services, last year we called it supplies. The \$108,000 in transfer payments is because of Experience '77.

Mr. Wildman: The student advisors to the travel associations.

Mr. Boyer: Yes.

Mr. Wildman: Okay; then is that the thrust you were looking at?

Hon. Mr. Bennett: The thrust we were talking of is changing the direction of our advertising as well. We said we were going away from television, into more specific periodicals related to the markets we're trying to serve, as well as relating to the higher income groups who have a fair disposable income. So what we are doing is transferring some of our advertising dollars out of a very costly market, a costly area of promotion, which is television. One of the reasons we went out of it is because while we used to sign contracts for certain flexibility in time slots, in the analysis done by our promotion agencies that look after placement it was found the time slots were getting later and later in the day; in other words after the midnight movie. It was becoming virtually useless, in our opinion.

Mr. Wildman: A lot of night watchmen and people like that.

Hon. Mr. Bennett: We wanted to move forward into more prime time, but the cost just became completely prohibitive for us. The exposure was great, but we were using the shotgun approach. You didn't know what the hell market you were hitting. It could be a man with no disposable income and we very likely weren't touching some of the

people with the higher disposable incomes because they weren't home watching television at that particular hour. We were convinced as were the Canadian government and others, to move away from very expensive television into more magazines and periodicals, and those we assessed through various means as to what type of people happened to receive the publication.

Mr. B. Newman: You're gearing your program, then, to individuals who have a substantial disposable income?

When you mention that, Mr. Minister, then you really should pay attention to the pleas of those of us from the Windsor area when we talk about the Renaissance Centre in Detroit, and assisting the city of Windsor sell Ontario.

Hon. Mr. Bennett: We are trying some different approaches to marketing tourism. We've used the newspaper to create an interest, we've used radio to create an interest; but we also, as I say, get into selective publications to reach those who are going to be extended travellers in our province. I suppose the same problem is being experienced by everyone in the tourist field. How do you really get to the marketplace most likely to come to the area to which you wish to bring them?

Mr. B. Newman: You see, we give you part of an answer when we talk about the Renaissance Centre in Detroit and getting our Yankees who are attending the various conventions over there to just step across the border, see what part of Ontario is like, what part of Canada is like, and nine out of 10 will love it. The next time they come farther than Windsor; they come to the interior of Ontario and other parts of Canada.

Hon. Mr. Bennett: If they are going to do that they have made up their mind prior to leaving home. In other words, our message must get to them before they have determined their final point of destination even if they're going to a conference.

Mr. B. Newman: You're not right there, Mr. Minister, because when the Book-Cadillac Hotel operated we had no one in the Book-Cadillac. Likewise, we didn't cover all of the conventions at Cobo Hall and that complex. It was only later you covered that and you brought people in.

Hon. Mr. Bennett: I won't argue that question with you; whether you're going to bring them over from Detroit to Windsor for half a day or half an hour or for a day is it a very worthwhile program for Windsor?

Mr. B. Newman: I'm not saying that you bring them over for half a hour or half a day.

[12:45]

Hon. Mr. Bennett: Just let me finish. I am saying if they are going to travel beyond Windsor for a holiday period, that determination was made before they ever got to the Renaissance Centre in Detroit.

Mr. B. Newman: All right, I will grant you that; but when you are going to change your brand of alcohol, you don't buy a case, you buy a bottle first to find out whether you are going to like it.

Hon. Mr. Bennett: That depends what the price is.

Mr. B. Newman: When you like it, then you buy the case.

Hon. Mr. Bennett: That depends on whether I am going to drink it or give it away.

Mr. B. Newman: These people sample Ontario by coming into Windsor and seeing it, and from that they know what Ontario is like.

Hon. Mr. Bennett: Mr. Newman; I am not arguing with you, but with what you are saying to me and very specifically what comes through in it; because you are arguing about the bottle of alcohol or whisky versus the case of whisky. It is exactly the analogy I made. The individual is coming from the Renaissance Centre to Windsor for half an hour, or an hour, or half a day, or a day. That is exactly right. That is the sample he is going to get. Singularly it is not my job to get him into Windsor. My job is to try to sell the little thing known as the province of Ontario.

Mr. B. Newman: That is true.

Hon. Mr. Bennett: And what I am saying to you is I am not entirely ruling out the Renaissance Centre, although I have had some preliminary discussions on it since the other day.

Mr. B. Newman: Yes, we hear that.

Hon. Mr. Bennett: I am not sure that we are going to take that kind of money out of a budget in order to go into the Renaissance Centre. In the next period of time, we will try to do some research on it as to volumes of figures and people, where they are coming from and going to. But the thing we must do if we are going to succeed in tourism is to convince the woman, the lady of the house, first. We have found in our research that she determines to a very large extent where the family is going for their

vacation. The second point, we must convince them while they are in their own living room to come to Ontario. You are not going to do that selling job to any great extent when they are on the highway travelling, because they have now scheduled their daily activities for a 14-day period. They now have scheduled their expenses for a 14-day period, planning to be in certain places.

Mr. B. Newman: I agree with what you say, Mr. Minister, but remember they had no intention of coming to Canada and into Windsor, in the first place, but we attracted them. They found just what a border town was like, they become curious and anxious to see what the rest of the province is like.

Hon. Mr. Bennett: Good!

Mr. B. Newman: You are not going to get them further into the province unless they cross the border first.

Mr. Wildman: But that is applicable to any traveller.

Mr. Acting Chairman: Mr. Wildman, do you want to finish?

Mr. Wildman: Yes, please, just one short—

Mr. B. Newman: I'm sorry to interrupt you.

Mr. Wildman: No, that is fine. In relation to that, I want to emphasize my support of Mr. Eakins' comments, I think it was Mr. Eakins, or perhaps someone else, maybe it was Mr. Kerrio, regarding the American regulations regarding conventions in Canada. Certainly the hotel associations and the chambers of commerce have put forward very good arguments as to why we should be exempt, not only to help the tourist industry itself but just the whole argument of assising our balance of payments.

Hon. Mr. Bennett: We keep pushing it on every occasion, whether we are dealing with the Americans or dealing with the Canadian government; and when we are dealing with the ministers involved we bring the point home.

I met with Mr. Jamieson not so long ago, and having known him when he was Minister of Industry, Trade and Commerce, I of course told him he should put forward even greater weight on the subject. That is hard to believe with Don Jamieson, at least from a physical point of view.

Mr. G. I. Miller: He is losing weight.

Hon. Mr. Bennett: Where? In his little finger or his little toe? Having been for a period of time exposed directly to the problem, the federal minister should put even more emphasis on it. I think he is doing that, and I give the government of Canada full marks for what they have done so far. For

that matter, I give marks as well to the chambers of commerce, and the convention authority here in Toronto, and the motel and hotel association, all of those who have gone to Washington to put in a real personal plug on it.

Mr. G. I. Miller: Is there any connection between the chambers of commerce? They don't work through your ministry? What ministry do they come under? Are they connected with any ministry? They are private? Do you co-operate with them now?

Hon. Mr. Bennett: I co-operate with 8.5 million people in this province.

Mr. G. I. Miller: I don't know; our record is down to zip.

Hon. Mr. Bennett: In what respect?

Mr. G. I. Miller: I think in tourism.

Hon. Mr. Bennett: We recognize that. We've been through that question.

Mr. G. I. Miller: I know, I realize, but I think you have to list some constructive criticism too, you know.

Hon. Mr. Bennett: A list?

Mr. G. I. Miller: Yes.

Hon. Mr. Bennett: Just to clarify the situation, we have the chambers of commerce and the travel associations, we have them all in at some time during the year, maybe once or twice to speak with us about their problems and to give their suggestions. We try to be co-operative with them, recognizing their value, in the area we're talking about.

Mr. Wildman: Just one other thing, I hope when you're talking to your federal counterparts that you also talk to Mr. Gillespie regarding cost of gasoline; and also to your own colleague, the Minister of Energy (Mr. A. Taylor) in regard to the cost of gasoline. I know the federal government is trying to get us to the world price, but it seems to be trying to hurry northern Ontario along a lot faster than most of the rest of the province.

Mr. Eakins: That's why they reduced the cost of the plates, so that you could drive more.

Mr. Wildman: That may help the local people, though I would question even that considering the fact that 45 per cent of the automobiles in the north are trucks and vans and they're not included. It certainly doesn't help tourists who are coming into the province and the tourist outfitters, who are trying to encourage these people who are coming in and driving, when they get to a place like White River and see a sign they think says 51 cents a gallon. They see 51 cents

and think they're getting a great deal. Then they go in and find that it's a half gallon for the 51 cents. That was before the last increase.

Hon. Mr. Bennett: What is it now?

Mr. Wildman: It's \$1.08, I think, in White River now.

Hon. Mr. Bennett: I can tell you down in eastern Ontario you will get a few places where it won't be too far behind you.

Mr. Wildman: I wasn't trying to be parochial on that. I think that obviously the cost of gasoline on Highway 401 and the cost of gasoline everywhere is a factor.

Hon. Mr. Bennett: How would you like to suggest that the federal government take off that 10 cents a gallon they put on a year or two or three ago?

Mr. Wildman: I agree with you.

Mr. B. Newman: Let Ontario take off its tax too.

Hon. Mr. Bennett: That's fine, but remember if you take the tax off gasoline you'd better find some other source for building your highways.

Mr. B. Newman: You'd better do it. The feds will tell you exactly that same story; what's good for the feds is good for Ontario.

Hon. Mr. Bennett: Ours is a road tax that has been on gasoline because the roads that are here are produced by the province of Ontario and the taxpayers of this province.

Mr. B. Newman: Right, and the feds are using the money too.

Hon. Mr. Bennett: There is a substantial difference. The federal government doesn't produce roads.

Mr. B. Newman: You're spending money for something in Ontario and they're spending the moneys they collect from their gas tax for other things in Canada. You're still taxing people, regardless of how you tax them. When you say the feds should get rid of a tax, then you co-operate. They should cut it by 10 cents and you should cut it by 10 cents.

Hon. Mr. Bennett: Our tax was put on long ago and it was understood what it was for. All of a sudden, an energy tax comes on at 10 cents and you start talking about the price of a gallon of gasoline. The greatest contributor to the shock wave was the federal government itself, not the provincial.

Mr. B. Newman: The provincial government is just as guilty as the feds.

Hon. Mr. Bennett: Not a damn bit.

Mr. B. Newman: Oh, exactly.

Hon. Mr. Bennett: We wouldn't build any more highways in Windsor if that applied.

Mr. B. Newman: I don't see halos around your heads when I look around the Legislature.

Mr. Acting Chairman: Order.

Mr. Johnson: Now that Mr. Wildman has taken over the Chair for me, I would like to ask once more about Ontario farm vacation programs. I realize this is a Ministry of Agriculture and Food program. I'm not criticizing this ministry, but I do feel there's a tremendous gap between what the Ministry of Agriculture and Food can do and what the Ministry of Industry and Tourism can do.

In this pamphlet, they advertise 28 accommodations. In the first one, it says, "We prefer to host one family at a time." We're talking about 150 to 200 accommodations. In other words, we haven't an Ontario farm vacation program. It seems to me that this year, particularly with a \$2 billion deficit in Canada in tourism, there's something that we should be able to do, in co-operation possibly with your ministry and with the Ministry of Agriculture and Food, to promote the program. You can't go out and sell 100 accommodations, it's completely meaningless.

I feel there is potential. There are many farms that aren't viable for agriculture on a 100-acre and 200-acre basis, but could be made viable if they were supplemented by a small vacation program—not just summer, but all-year round. It might be unrealistic to suggest it, but since the Minister of Correctional Services is in such high spirits these days, I would like to suggest that we can even have a program where we would use prefab cottages. A farmer could lease or buy two, three, four or five cottages. They're resellable.

As I mentioned, the Minister of Correctional Services (Mr. Drea) could have his guests maybe produce these in a slack time.

Now this may be going too far, but it's a suggestion. If these cottages could be assembled on such a basis that they could be used by this young farmer that's starting up after he's operated for four, five, six years and he feels that he's accumulated enough money and he doesn't want to go through the hassle of tourism, he could then devote his time to farming full-time. The cottages could be picked up, transported to another farmer who would like to do the same thing.

I feel we have a market in Toronto, Hamilton, Buffalo, Detroit and Chicago of well over 10,000,000 people, in fact its closer to 20,

000,000. I think there are all kinds of people in the city of Toronto who, if they could take their families and go into the rural areas and spend a nice quiet week in the summertime or Easter or Christmas time, they wouldn't have to travel to Florida or Myrtle Beach in the spring. The cost would be much less. The dollar should be spent at home.

I think that we could also cater to the Americans and encourage them to come up and spend a low cost vacation in rural Ontario. It would benefit not only the farm people but also the small communities. We've built a lot of new arenas this past year. There are all kinds of winter facilities as well as summer. I just can't see that the program couldn't be sold.

In Prince Edward Island, as I mentioned last year, they tried the program for several years. It didn't pay off until they investigated why the people weren't making more use of it. They determined that they had to have individual accommodations apart from the farm home itself. This was the selling point. I don't think in this pamphlet there are more than two or three who offer this. This, I think, is the whole key to it.

Time's running out, so I'll just finish up by suggesting that what I feel that we need from the ministry is some advice for these people, some concrete proposals. I feel the minister should request his staff to work with the tourist industry in Prince Edward Island, find out what they did to make the program successful, and surely we can copy it. I might just mention in closing that I talked to Mr. Boyer about this and he was very encouraging. I've set up a meeting with Bob Brock to meet with one of my local constituents who wants to go into this program. I feel we need the backing of other members of the committee and of the House to make this program work.

Mr. Boyer: I recall Mr. Johnson's remarks from last year in meeting with a particular developer interested in this subject. On the evidence, the farmers of Ontario don't seem to be very much interested in such a program, based on these 28 farms. But what we will undertake to do, Mr. Johnson, is make a more careful feasibility study. We are familiar with what's going on in Prince Edward Island and we'll report further to you, if that's satisfactory.

Mr. Johnson: Perhaps it's a two-way selling program. We have to sell the farmer on the advantage of this program.

Mr. Acting Chairman: Mr. Eakins, do you have any further questions?

Mr. Eakins: No.

Mr. Acting Chairman: Well, in that case, it being 1 o'clock, I think we should adjourn until 8 o'clock on Monday, 8 o'clock in the evening.

Mr. Eakins: I'm okay on this vote as far as I'm concerned.

Mr. G. E. Smith: As long as I can bring up

the industry, how it's being promoted and that development aspect.

Mr. Acting Chairman: You can bring it up under the small business vote, I suppose.

Mr. G. E. Smith: That will be fine.

Vote 2204 agreed to.

The committee adjourned at 1 p.m.

CONTENTS

Friday, November 4, 1977

Industry and Trade Development Program	R-669
International Industry and Trade Development	R-669
Tourism Development Program	R-670
Adjournment	R-685

SPEAKERS IN THIS ISSUE

Bennett, Hon. C.; Minister of Industry and Tourism (Ottawa South PC)

Eakins, J. (Victoria-Haliburton L)

Johnson, J.; Acting Chairman (Wellington-Dufferin-Peel PC)

Miller, G. I. (Haldimand-Norfolk L)

Newman, B. (Windsor-Walkerville L)

Smith, G. E. (Simcoe East PC)

Wildman, B.; Acting Chairman (Algoma NDP)

Ministry of Industry and Tourism officials taking part:

Boyer, F. J., Executive Director, Tourism Division

Fleck, J. D., Deputy Minister

Garland, M. L., Executive Director, Industry and Trade Division



No. R-26

Legislature of Ontario Debates

Official Report (Hansard)
Daily Edition

Resources Development Committee

Estimates, Ministry of Industry and Tourism



First Session, 31st Parliament

Monday, November 7, 1977

Speaker: Honourable John E. Stokes

Clerk: Roderick Lewis, Q.C.

CONTENTS

A list of the speakers taking part in the debates in this issue of Hansard appears, in alphabetical order, at the back of this issue.

Daily contents of proceedings also appears at the back of this issue. Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff. Phone 965-2159.



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LEGISLATURE OF ONTARIO

MONDAY, NOVEMBER 7, 1977

The committee met at 2:08 p.m.

ESTIMATES, MINISTRY OF INDUSTRY AND TOURISM (continued)

On vote 2205, small business development program:

Mr. O'Neil: Mr. Chairman, I don't know whether I come under the correct vote or not. I had some comments to make regarding the GATT negotiations. No?

Mr. Chairman: I thought we discussed that.

Hon. Mr. Bennett: We passed that on the first or second vote. If the committee wishes, we are prepared to hear more.

Mr. O'Neil: It will be very short, if I may.

Mr. Chairman: Make it very short.

Mr. O'Neil: I would like to read into the record a letter which I have just received from Trent Valley Paperboard Mills. I imagine the minister is aware of their operation. I think there has just been a loan of about \$15 million granted to Trent Valley Paperboard Mills. The letter is addressed to myself and it is in reference to the Tokyo round of GATT negotiations.

"This is with reference to the above-mentioned GATT negotiations. As a member of the paperboard sector of the Canadian pulp and paper industry, this company is very concerned that serious consideration might be given to the reduction and eventual elimination of tariffs on such paperboard products as box board and container board, liner board and corrugated medium.

"The course of action adopted by the federal government seems directly opposed to the efforts of the provincial government to improve the economy in rural areas and reduce the concentration of industry and commerce in the Toronto area, where there are attendant problems. The loss of our industry in this area would be a major loss and directly conflicting with its stated public policy to increase industrial activity here.

"In four briefs submitted to the federal Ministry of Industry, Trade and Commerce, and to the Canadian Trade and Tariffs Com-

mittee since October 1973, the Canadian Pulp and Paper Association has clearly outlined the problems facing the protected sectors of the industry in the event of tariff elimination. All four emphasize the advantages of size and scale enjoyed by US competitors, and all four emphasize that the economic disadvantages facing Canadian producers vis-à-vis their US competitors must be removed before Canadian producers can achieve an internally competitive position.

"I am taking the liberty of forwarding copies of three of the CPPA briefs under separate cover, and am enclosing one copy of the fourth, June 1977, brief which concludes with the statement, 'We wish to reiterate, therefore, most strongly, that no reductions in the tariffs and any paper or paperboard should be offered until after internally competitive economic conditions have been established in Canada.' The brief is concise and to the point, and I think you will find it to be an aid to understanding this industry's misgivings regarding untimely tariff reductions.

"I realize that you have many calls upon your time, but in view of the seriousness of this matter, which could have a profound effect on a good number of your constituents employed here at Trent Valley Paperboard Mills, I would ask that you support the CPPA viewpoint in whatever way you can. For instance, might you arrange a meeting with the Ontario Ministry of Industry and Tourism.

"I look forward to hearing your comments, but meanwhile I must add I would be pleased to discuss the subject in person with you at your convenience.

"Yours very truly, H. G. Campbell, President and General Manager."

I realize, Mr. Chairman, that I wasn't here on Friday and you did conclude that vote.

Hon. Mr. Bennett: No, that was some time back. It was early in the estimates.

Mr. O'Neil: I would ask that this be part of the record of the hearings. I wonder if the minister or some of the officials of his ministry would have a chance to meet with Mr. Campbell. It is quite a good-sized industry in our area and employs quite a num-

ber of people. Quite an investment has just been made with machinery and plant. I think it would be quite important to me if somebody would talk to them.

Hon. Mr. Bennett: Mr. O'Neil, I would strongly suggest that you suggest to Mr. Campbell that rather than our meeting with an individual company, what we really have to do is get an opinion from the sector of the economy to which he relates.

There must be an association. I believe there is an association that represents the paperboard or chipboard group of industries across the province. I strongly suggest to you that you go back to Mr. Campbell—and I don't know whether he sent a carbon copy of the letter to us or not, I haven't been in my office for the last three or four days—suggesting we would be pleased to meet with that entire association and discuss their input or views in relationship to GATT and the present tariffs, and at what point, if there is to be a point, they believe there should be a reduction of tariffs.

We have to be very careful, as a ministry, that we don't find that we have six companies with six different opinions. We have to have a common denominator when we go before the federal people with opinions. That is why I rely on associations to bring that common denominator before us.

I think you would surely have to agree you can't speak from six different points of view on the same products being manufactured in your province or your country. So if you have the opportunity of speaking with Mr. Campbell, we are concerned about all industries, very concerned about what tariffs will do and the reductions in tariffs will do, and if they are to happen, what adjustment factors are going to be required by the industries that are represented under those tariff reductions.

If you go back to Mr. Campbell, strongly suggest that the minister or the ministry and our senior people who are now on GATT negotiation preparations for the province both in TEIGA and in my ministry, will be pleased to sit with them to review their position to try to permit them some input. I don't say it will be complete, because it is not, I think, appropriate to disclose one's hand at this point as to exactly what has taken place or is likely to take place from a national position. If you would do that, Mr. O'Neil, I would be pleased to meet with them and review their position.

Mr. O'Neil: Thank you, Mr. Minister. I will make your views known to him, and I would imagine that either I or Mr. Campbell will

be in touch with your ministry people. As I say, it is a matter of concern in our area and anything you can do in the way of meeting with him, either yourself or some of your officials, would be greatly appreciated.

Hon. Mr. Bennett: I'd add only this; rather than being so parochial by just saying the provincial association, if there is a national association that also has a position, it would be well to have it, because eventually that is what we have to get to, that is the national position, the Canadian position, in relationship to the tariff arrangements at the GATT round. So we can pursue it from two angles, provincial and federal, and maybe get a much more positive position that Ontarians can live with. When I use the words "live with," I am at least proposing something for which there is solid support across the nation.

Mr. O'Neil: Thank you very much. I have one other matter which I wanted to raise, I think it does fall under your ministry. These people have written me from the city of Belleville. J. Russell Scott, MD who owns a tourist business in—

Hon. Mr. Bennett: I think I know the name. I'm sure I do.

Mr. O'Neil: It has to do with the matter of Scotia Belle Investments Ltd. and water rights where people in the tourist industry, who are hard pressed at this time because of the problems they have had in the northern part of Hastings county, have been approached by the Ministry of Natural Resources that they are going to be charged for docking facilities and water rights. Could you give me any background on this?

[8:15]

Hon. Mr. Bennett: You ask, "Could I give you any background?" I think it could be between either our Ministry of Natural Resources or the Ministry of Indian Affairs and Northern Development which has water rights control under the federal government.

There is some talk about certain water rights chargebacks to people who have it under lease. I do know along the Rideau system, the percentage increases in leases from the federal agency to marinas and to tourist operators have been extremely large. When it has been brought specifically to our attention by one or two operators, we have gone to the minister and tried to get him to have a realistic assessment or appreciation of the problem that is being encountered by the tourist industry at this time.

But if Dr. Scott, the former mayor of Belleville, has not been in communication with myself—maybe he has with some people

in the ministry, although it has not been brought to my attention—but I would think his real problem is with either the Ministry of Natural Resources or the federal agency. If he is running into some difficulty and we can help him, I would suggest that he get in touch with our local representative and have him follow it up from there.

Mr. O'Neil: In other words, I understand that you have some concern too, that where the tourist industry has had some problems in the last year or so with finances and things like that because of the drop in tourism, that when they are hit with these additional costs of being reassessed and having to pay dockage or water rights or whatever it may be—

Hon. Mr. Bennett: Storage rights and the works.

Mr. O'Neil: So it is a concern of yours, and you feel it would be best if we contacted the Ministry of Natural Resources.

Hon. Mr. Bennett: It is certainly our concern, because if the cost of operation prices everything out of the field, then we are in real trouble.

The other thing you may like to look at is what is the alternative use if it is not leased to Mr. A, B, or C? If the alternative use is nil, I don't think that returns much of an economic dividend to the community the marina or the tourist operator is presently serving. That is why we become very concerned about what is happening and how it is harming the operator in his ability to continue to operate and to upgrade and improve the marina or whatever it is he is operating.

So that is why we are concerned; and I say again if Dr. Scott and his associates are not meeting with success with the federal agency and they have consulted with my ministry or the Ministry of Natural Resources, if they get back to us again we would be pleased to have somebody do a review and see exactly what is the root cause of this disturbance or problem.

Mr. O'Neil: Thank you very much, I appreciate that.

Mr. Eakins: You see that as mainly the right to use the facility, mainly to establish the right?

Hon. Mr. Bennett: My understanding is that what the government of Canada is doing is where they have leased frontage over a period of years, the rent at one time was very small. Then all of a sudden the user pays policy came in; but if it becomes prohibitive, then there is no use, and that is what disturbs us.

Mr. Eakins: But this is the provincial ministry he is speaking of, Natural Resources.

Hon. Mr. Bennett: It could be either Natural Resources or it could be in the federal water system, I'd have to look at that.

Mr. O'Neil: This, I think, has dealt mainly with the Natural Resources. Possibly what I will do is photostat this and make sure you get a copy of his correspondence to me.

Hon. Mr. Bennett: Send a copy also to the Minister of Natural Resources (Mr. F. S. Miller), then you will have both sides of the ledger covered.

Mr. O'Neil: There is one other thing on which I wanted to get your views and I know it has been raised in previous estimates. That has to do with the conflict, sort of, between the trailer parks or the camp grounds that are owned by provincial facilities and those that are owned by private industry. Are there any new plans afoot to even this off or to make the private owners of camping grounds competitive? I would just like to have your thoughts on that.

Hon. Mr. Bennett: I haven't got the paper before me. If it hasn't already been announced during my absence from the country, my understanding is that there will be an increase in trailer camp fees in provincial parks, which of course I have recommended over the last two or three years. I thought it was wrong that we should hold the line and virtually subsidize the trailer camp operations and parks to a very large extent, while at the same time we believed that the private entrepreneur should charge the same rate as the province of Ontario. We didn't say that, but it is virtually impossible for him to charge a much higher rate because he is in direct competition, or the provincial park is in direct competition with him, whichever way you wish to put it.

So we are pleased to see the rate go up. I think it is more realistic. There are some trailer people who are going to be upset, but that is fine. I say that very honestly, that is fine.

Nobody really comes howling about my position. I don't live in a trailer and don't use a trailer as far as vacationing goes, and nobody gets upset when the Holiday Inn says that because of the cost of operation they have to put up the room by \$2 or \$3. The province doesn't subsidize that room for me when I am travelling as a member of the general public. That is why I find it difficult that in our parks operations we should really get into what becomes a general subsidy of a rate for tourist people, whether they be Canadians, Ontarians or foreigners to our land. We don't do it with hotel rooms and we shouldn't do it for provincial parks. The

provincial parks should not be unfair competition to the private sector which is trying to develop very reasonably located and priced camp grounds. For too long a time the province has been his competitor, and I suppose to some degree his conscience, because we set the rate and he either follows it or goes out of business.

Mr. Kerrio: It is unfair competition.

Hon. Mr. Bennett: I don't like to use that word "unfair."

Mr. O'Neil: I thank the minister for his comments and certainly appreciate and respect his views.

I know during the spring and summer months there is advertising across the province—and I know this has been raised in previous estimates—whereby the province, I believe, foots the bill for advertising that there are so many vacancies at these provincial camp grounds. Has that been changed at all whereby you will not only advertise that there are vacancies in provincial grounds but also there are vacancies in some of the privately-owned businesses? Could this be considered?

Hon. Mr. Bennett: Some of the advertising that has taken place has been of a public service nature, in other words, sponsored by a radio station in a given community, about the availability of camping spots both in provincial and privately-owned locations. It hasn't been sponsored by us.

Mr. O'Neil: It hasn't? I see.

Hon. Mr. Bennett: They have taken the initiative to do it on their own. I encourage the radio stations and others to be good corporate citizens in making people aware; there is no sense having people travel down the road 50 miles to find there is no available space. It then becomes another traffic problem for us in getting them turned around and going back home or trying to locate something.

So it has been entirely their own effort. Our advertising program has been basically to advertise the wares of the province rather than specifically the vacancies in any given place, whether it be a hotel, motel or a camping spot.

Mr. O'Neil: My concern here—and likely yours also—is that the private owner or businessman is not placed at a disadvantage in competition with things like the provincial parks where there are vacancies. In other words, I feel that as much business as possible should be steered to the private entrepreneur who is trying to make a living, and in a way, I suppose, competing with the province.

Hon. Mr. Bennett: I hope that as time goes on, and if the program the Ministry of Natural Resources has embarked upon—was it a year or two ago? I forget the exact date—whereby they lease out provincial camp grounds to the private sector to run; if that becomes successful it would be my desire to see more and more of the camp grounds turned over to the private sector. It puts them on somewhat the same footing as Mr. Smith or Mr. Brown who has invested in his own trailer camp.

Trailer camp operators in this province have had a rough time. I am the first one to admit it. They have had to meet some very important pieces of environmental legislation regarding septic tanks and so on. I think most of them have been good corporate citizens in doing it, even at a very substantial cost, because it made their camp grounds not as profitable, if profitable at all. Overall they have done an excellent job.

I will be speaking for them, I believe in the next week or 10 days. I hope I will get a positive report to them on the future of their industry. I hope I will be able to report to them that we as a province will provide less and less unfair competition to them as time proceeds.

Mr. O'Neil: Thank you very much. I had one other comment. We met a couple of weeks ago with Mr. Boyer and some of his people in regard to the small business tourist industry in eastern Ontario. I was pleased, first of all that they did hold the meeting and some of the facts which they brought forth.

I wanted to ask a few questions, if I might. They were talking about some of the different forms of development they feel would be suitable for the Trenton-Belleville area. There were two or three of them. One was racing of some type, sailboat racing, car racing; another was some sort of an air museum; another was the development of a summer theatre.

I wanted to ask your comments on this latter point. If there were some people interested in the development of a summer theatre in the Belleville-Trenton area, is there any type of government financing. Or how do you feel this could be handled?

I also wanted some background—

Mr. Makarchuk: You could move the Legislature up there for the summer.

Mr. O'Neil: I think it might be a good idea.

Hon. Mr. Bennett: There are times that we could take Barnum and Bailey's place too.

Mr. O'Neil: I was just wondering about the Stratford setup and also the Niagara-on-

the-Lake setup. Are those privately owned and financed, and what sort of a financial picture do they show?

Hon. Mr. Bennett: The report that you looked at was the Opportunities for Development report made by the Ministry of Industry and Tourism, and it dealt with three out of 17 areas in the province. Those were Trenton-Belleville, Kingston-Cornwall, and the other one up in Sault Ste. Marie; and I have not covered all the communities in the three areas the report encompassed.

That report was to make an analysis of the shortages in the tourist field in the various areas of the province, and what appeared to be the areas of development that would be most profitable and rewarding in complementing the balance of what is there now as a tourist operation. It was not intended to say that government should build this and government should build that and government should give grants for something else.

I must admit that report came out, I think, while I was away. If the theatre was one suggestion, it may qualify for grants under Culture and Recreation programs. I would have to know more specific—

Mr. Kerrio: Maybe it would qualify for federal as well.

Hon. Mr. Bennett: It could very well. I'd have to have more details before I could say whether it could qualify under one of the development programs. At the moment it would not appear to be encompassed within the terms of the reference of the development program.

Mr. Eakins: That area is most successful. It's where your Wintario draw will be held this Thursday night.

Hon. Mr. Bennett: That's right.

Mr. Eakins: At the Academy Theatre.

Hon. Mr. Bennett: That's right; one which I visited on one or two occasions.

Mr. Eakins: Very successful.

Hon. Mr. Bennett: I think the meetings we had this past week in the Ottawa Valley were well worthwhile—in Cornwall the attendance was extremely good, in Kingston it was very good and in the Renfrew area it was very well attended. The purpose was to do an assessment of what the consultants believe, as we said to Mr. Wildman on Friday, is the essential component toward making tourism a more complete operation in those regions.

Before I leave this item, I meant to make one remark to Mr. Eakins some days ago. We discussed the fact the Liberal caucus has put together a committee on tourism and are re-

viewing the program. If the committee wishes—and I think it might be beneficial—but that's entirely up to themselves—as the minister I would like to suggest that we are prepared, with Mr. Boyer and his people in our audio-visual department, to go through all the things our ministry has been doing to try and combat some of the downward pressures we have experienced in the tourist field. We are prepared to review with you the details we have gone through as a ministry, budget-wise, advertising-wise, program-wise or whatever else might be of interest to you. So if you get out in the hustings and are talking to people, at least you have some appreciation whether you are being told all of the factual positions or not, and then you would have a balanced position from which to make your decisions.

Mr. Eakins: I appreciate that.

Hon. Mr. Bennett: If you wish that, if you would let me know or let the deputy know, or Mr. Boyer know, we would be pleased to arrange a time that's convenient to the majority of your group.

Mr. Eakins: Thank you.

Mr. O'Neil: Could I ask, too, on this—I would like some information for myself—would it be possible for Mr. Boyer or people within his department to supply to myself some of the information, on say Stratford or Niagara-on-the-Lake? I'd like to see what sort of a setup they have so that I would have some information—

Hon. Mr. Bennett: I would think if you talk to your colleague the member for Perth (Mr. Edighoffer), I am sure he would have more detailed information than most. But we would be glad to get it for you.

Mr. O'Neil: Do I take it that if somebody could speak to Mr. Boyer, we could get some background information on both of those places—the financial setup, who the owners are; some background, as I've said? I'd like to have that for our own area, to see if we can't interest someone in something along that line.

Hon. Mr. Bennett: No problem, Mr. Chairman. We would be glad to give the member all the information he wants to keep him occupied with a few hours of reading.

[8:30]

Mr. Wildman: I'd like to talk a little about the small business program.

Hon. Mr. Bennett: May I say that Mr. Radford, who is the executive director, is with me this evening. He will fill in on some of the questions.

Mr. Wildman: As I said in my leadoff, one of the major concerns I'm sure the min-

ister and I both share is regional development, since he's from eastern Ontario and I'm from the north. Small business is very important when it comes to regional development in slow growth areas. For a number of social and economic reasons small businesses often would prefer to locate outside of major centres, at least, they have done so—and if we can give them the proper assistance this will help in providing employment in those kinds of areas.

Small business, of course, can be more community-minded. Wages and profits tend to stay in the community rather than going out as they might with a large corporation or a multi-national corporation. As a result, these kinds of small companies can take the advantage of the human resources that we have in these kinds of slow growth areas outside of the large urban centres that we have in the province.

I know the ministry has recognized that situation under the development corporation programs, which are under another vote.

I think the government has really failed small business in one particular sector at least, and my colleague from High Park-Swansea (Mr. Ziembra) can talk about some other areas, perhaps, as well as filling out the information on this. The one I want to deal with is the small gasoline retailer. I've raised this, as have other members—not just the NDP but other parties as well—in the Ministry of Energy estimates with two successive ministers and have really gotten nowhere.

With the trend towards self-serve, especially in some of the larger urban centres, the independent service station operator in some cases has been forced out of business. The development of these self-serves has brought very little, if any, tangible benefits to the consumers. We have a situation where the consumer is not particularly benefiting, in the long-run at least, and as far as service is concerned he's probably not benefiting at all; and in addition you have a situation where the small businessman, the small retailer, is unable to compete.

In my area, we have a situation where, because of consignment sales to Sault Ste. Marie with the larger volume of sales and the larger competition, you have a lower consignment price than you have in the rural centres outside of the city. If the station is located within commuting distance of Sault Ste. Marie, then it's very unlikely that a commuter is going to buy gasoline at a small town service station rather than driving into Sault Ste. Marie where he can just pull up to a pump and pump the gas himself and get it at a much lower price.

We've got situations where 40 miles east of Sault Ste. Marie, for instance, the dealer is paying more to the company than the consumer is paying to the gas station he's buying the gas from in Sault Ste. Marie. Obviously his retail price is going to be much higher than it is in Sault Ste. Marie and he just can't compete.

I really think this government has to be looking at the pricing practices of the major oil companies and their effects on the small gasoline dealer. As I said, we've raised this repeatedly with Ministers of Energy and really haven't gotten much of a response. The reason I'm appealing to you is because your ministry has a special interest in small business, at least I hope it has. If you are really interested in helping small business I feel that you've got to be looking at this area and trying to determine the effects of this growing dominance by the large multi-national oil companies over one particular sector.

If this trend continues in that area the whole sector is going to be dominated by those large corporations and the principle of competition among small businessmen will be seriously undermined. The larger oil companies will set up a situation of vertical integration where they will control the product right from the well head to the gas tank. Unless we can do something to stop this trend, we are not going to have very many small businesses in the retail sector of the oil industry. Already a large number have gone out of business in my area because they found themselves in a competitive situation where they just could not compete with prices in other areas.

In 1971 there were 150,000 non-financial corporations in Canada. These are Statistics Canada figures. Only 626 of those accounted for 63 per cent of all assets, and 58 per cent of the total profits. But they only paid 46 per cent of total corporate taxes. I cannot see how we can allow this to continue. We are going to end up with a situation where a few large companies are going to control even more of the business sector of this country.

There are other problems for the consumer, of course. You might say: "Well, in the short run he gets cheaper gas." He does, although in some areas of the country, when you end up in a situation where self-serve completely dominates the industry, gasoline prices tend to go up after this happens.

Even if the consumer does get cheap gas, what happens to service? He is not getting his oil checked, his fan belt checked; he is not getting that kind of service. He cannot even, in some cases, get a mechanic when he needs

one and so on. The service end is really deteriorating, and as a result you may have automobiles on the road that are poorly serviced and that is a problem for all of us.

I really would be interested in the minister's reaction. What, if anything, is this ministry willing to do to try to determine the effects of this trend in the oil industry and to encourage the Ministry of Energy to take whatever measures are necessary to support the retail end of the small business sector in the oil industry?

Mr. Riddell: Don't forget the farmer, too. He has to pay more for gas delivered to his 500 gallon tank than it costs him to buy it at the pumps.

Mr. Wildman: Right, sure.

Mr. Riddell: There is something wrong.

Hon. Mr. Bennett: Mr. Chairman, let's get the whole thing in its proper perspective. I am not in a position to start talking pricing of a commodity, that comes from a much higher source than my ministry is able to deal with. We are setting prices through a national oil policy position. We have in fact argued that in eastern Ontario we think it is a rip-off situation. Whether it really is or not we don't know; but we feel that in a situation where you come across a certain line designated by the petroleum companies and prices start to rise, as is the case in Sault Ste. Marie or in the northern part of the province, the same questions and the endless argument will go back and forth. I think the oil hearings a year or two ago tried to deal with that situation. I would have to go back and refresh my memory on the discussions that took place on those pricing policies and why they were set up.

But this ministry has never tried to interfere in retail operations in the province of Ontario. One wholesaler is against another, one retailer against another, one haberdasher is against another—and we have stayed clear of that particular area. Stayed clear, save to give advice and guidance as to what we think may or may not be a good investment for an individual.

You talked about an independent gas dealer. Independent gas dealers are likely the best off. A man who owns his own service station and also owns the property is in the best bargaining position for price and conditions.

Mr. Wildman: There are very few of them left.

Hon. Mr. Bennett: That is not the point. The fact is that most of them have sold out over a period of time, but those who remain are still in the best position. The person

you are talking about, I think, is the lessee for the distributor.

Mr. Makarchuk: Well, if they cut their gas off, the independent owners have to sell out.

Hon. Mr. Bennett: I don't think you are right. I know several independents who are still in the gasoline business and doing very well by it.

Mr. Makarchuk: Some of them come and go, I think—

Hon. Mr. Bennett: Mr. Chairman, let me finish answering the question and then we'll allow the interjections and questions.

Mr. Makarchuk: If I can pursue just one point: in many cases the oil company cut off their supply and they had to get out.

Mr. Wildman: That's true in Timmins.

Mr. Makarchuk: You have to understand that. It's not all one-sided.

Hon. Mr. Bennett: There is no story in the retail industry that's one-sided; that I'm willing to agree to.

Mr. Makarchuk: But I didn't see you intervening.

Hon. Mr. Bennett: No, and we don't intend to intervene, because once we begin intervening—but just let me go on to answer Mr. Wildman's question.

It's great to talk about dealer pricing and self-service, we've seen that take place in more than just the petroleum industry. Our liquor stores have gone to a self-service situation to reduce the number of people employed in them. You can say the quality of service is not as good, but that's also questionable.

Mr. Wildman: Mr. Chairman, we're not talking about independent businessmen when we talk of liquor stores.

Hon. Mr. Bennett: But we're talking about a condition that prevails—

Mr. Ziemba: You can't blow yourself up buying a bottle of booze.

Hon. Mr. Bennett: Don't zero in, because I can zero in just as specifically on some of the things that you fellows are raising. We have had self-service coming on stream more and more in this province and this country since the turn of the century. Loblaw's, Dominion and the rest of them have become self-service, moving away from the old-time store.

Mr. Ziemba: It's a hazardous occupation, though.

Hon. Mr. Bennett: Everything is a hazardous occupation, even being a politician if you

want to know. The fact is that service is what some people survive on. You must admit there are certain areas, and I think of certain people in the hotel and restaurant industry, the food industry and the haberdashery industry, where their whole degree of success in this world is based on the word service. Service stations are going away from it; they're going into self-service.

Retailers go into self-service because there's a demand by people who think the price of petroleum or whatever it is should come down. I'm not going to argue with you that the quality of service on checking your battery and your fan belt or whatever else may not be as good; but that's a decision the individual consumer makes.

You can forbid self-service stations, if you wish to, and some municipalities have or have limited the number of them. How successful the bylaws have been, I don't know, I have not seen any statistics.

Mr. Makarchuk: You are evading the issue.

Hon. Mr. Bennett: I'm not evading it at all.

Mr. Makarchuk: We're not arguing the merits of self-service as opposed to other services, though there may be arguments on both sides. The argument of the independent gas station operator in most cases, particularly after the price had started to rise, was the fact that the oil companies had cut them off.

Hon. Mr. Bennett: You give me the facts on those people who were cut off. Most of them negotiated new contracts. We had a former member of this House, the former Minister of Labour and the former Minister of Industry and Tourism, Mr. Guindon, who is in this very business. He renegotiated his contract.

Mr. Makarchuk: That's the former member for St. Catharines, Mr. R. M. Johnston.

Hon. Mr. Bennett: No, sir, he was not. I'm referring to the former member from the Cornwall area.

Mr. Makarchuk: Right, okay.

Hon. Mr. Bennett: I don't believe that the member for St. Catharines was Minister of Industry and Tourism.

Mr. Makarchuk: The point is that this is exactly what happened in many cases. You should have intervened in the interest of private enterprise to allow these people to compete with each other and to provide service, gas and everything else; but you didn't.

Mr. Wildman: If I could ask a question, Mr. Chairman.

Hon. Mr. Bennett: Do you mind if I finish answering some time?

Mr. Wildman: In relation to what the minister said, that he didn't want to interfere or had no intention of interfering—

Hon. Mr. Bennett: That's correct.

Mr. Wildman: —in competition between retailer and retailer, haberdasher and haberdasher and so on. But what we're talking about here is really competition between Shell, for the sake of argument, and a lessee of Shell. It's not exactly equal competition. One has a lot more capital resources than the other.

As I said, in my area I can show you stations that are within commuting distance of Sault Ste. Marie where the dealer is paying three and one-half cents more per gallon wholesale than the consumer is paying for the same kind of gasoline at a self-serve station owned and operated by the oil company. How that dealer is going to survive, I don't know.

When you bring up the question of the farmer and the delivery costs that he has, the cost of transporting that gasoline is irrelevant actually. It costs about one and one-half cents to transport gasoline to Blind River—

Hon. Mr. Bennett: An eighth of a cent a gallon.

Mr. Wildman: —and yet it costs approximately 15 cents more in Blind River than it does in Sault Ste. Marie. In Wawa it costs 20 cents more and they've got a harbour there with tanks.

[8:45]

Hon. Mr. Bennett: Mr. Wildman, let me again refer you to the Ministry of Energy's report on the pricing of gasoline. I assure you I'm not the author of it, nor do I recall all the statistics on it, but it was hashed out and rehashed in the Legislature day after day for some period of time in the last sitting.

Mr. Wildman: But nothing was done.

Hon. Mr. Bennett: A very positive position was indicated in the report, yet you say nothing was done?

Mr. Makarchuk: That was an apology for the oil company; that wasn't a report.

Hon. Mr. Bennett: Apology be damned; that's your excuse.

Mr. Makarchuk: No, that's no excuse.

Hon. Mr. Bennett: We still believe in free enterprise and that market conditions are going to determine levels.

Mr. Ziemba: That's not fair, that's a monopoly.

Hon. Mr. Bennett: Well, you can call it anything—

Mr. Riddell: I'm sure glad the former Minister of Agriculture and Food, Mr. Stewart, didn't adopt your attitude in controlling vertical integration in the agriculture level.

Hon. Mr. Bennett: Now we're talking about vertical integration. I was coming to that very situation, because we have vertical integration in pretty well every field of the economy today.

Mr. Riddell: And it's got to be controlled.

Hon. Mr. Bennett: If you think that by the government controlling it that it's going to stop and things are going to change, I tell you in my own humble opinion it will get worse instead of better because government getting into things screws it up.

Don't tell me I'm wrong, because we only have to look at a few things. In agriculture, we help the chicken farmers and the egg producers out of some vertical integration problems; on the other hand, you must admit some of the farmers aided and abetted the vertical integration coming into being because of some of the things they allowed themselves to become involved in.

Let me go one step down the road if you want to talk about vertical integration. We look at the candy business, the sugar business, the bakery business, the store business, the wholesalers. Vertical integration takes place. Oshawa Wholesalers is what, a wholesaler with the IGA chain of stores, some of them self-controlled by the distributor. Some of the products are made for the wholesaler, some of the parent companies that produce the products are owned by the wholesaler. Vertical integration tries to keep some degree of competitiveness in the price of goods through a retail distribution system. That's what vertical integration is all about.

We can sit and fight it and we can oppose it, and I'm sure they'll find ways to get around it. But keep clearly in mind that not all these companies happen to be located in the province of Ontario. Some happen to be located in other parts of Canada as well, vertical integration is taking place there too.

Coming back very clearly to Mr. Wildman's point, the one place we got involved with the retail gasoline lessee—independent dealer, distributor, manager, whatever the classification happens to be that he operates under—was under some of the leasing arrangements they had with the petroleum companies.

Consumer and Commercial Relations was doing the analysis with, the Ontario Retail Gasoline Association I think it's called. The ministry was trying to get some understand-

ing on leasing arrangements to establish a common position, that's what they've been working on. But I doubt very much if they're going to get involved, or that ORGA is going to get involved, in the pricing of the petroleum product at the pump.

Mr. Wildman: All right, I'll just close by saying it seems ridiculous to me when you have a situation where a dealer in a place called Batchawana, in my area, could go with a tank into Sault Ste. Marie and fill up that tank; pay for the gasoline there, then take it back to his station and sell it for less than he was having to sell it for if he'd been buying it from the oil company, but still more than he was paying for it in Sault Ste. Marie, and still make money.

Of course it's illegal and he was told by the company that he couldn't do it or he'd be cut off and so he stopped. But the fact is that he could buy gas retail in Sault Ste. Marie for less than he was paying for it wholesale to the company.

How is he supposed to continue to operate in business and make a living? Maybe vertical integration is a good thing, but I wonder if a large corporation controls the product right from the well head to the consumer's gas tank, if that kind of organization is going to have the same loyalty to the local community and to the local consumer as a small businessman who has lived and operated his business there most of his life.

Hon. Mr. Bennett: Would you not admit, Mr. Wildman, that most retail outlets for petroleum companies are operated by local people who are the managers-operators of those divisions; they work on a salary and a percentage of gross sales? That's the way it has been at most of those stations that I know of in the city.

Mr. Wildman: That's changed now, they're dropping by the wayside.

Hon. Mr. Bennett: But the manager-operator has not changed. It's one of the newer systems they have. It used to be the lessee; but today he's no longer the lessee, he's the manager-operator.

Mr. Wildman: Are there 1,500 gas stations in Ontario?

Hon. Mr. Bennett: I wouldn't have an idea, Mr. Chairman, what there are.

Mr. Wildman: Well that may be, but the fact is usually when you go into one of these stations the only person who is there is a young fellow or young girl in that enclosed glass box who collects your money.

Hon. Mr. Bennett: You are back to talking about self-service.

Mr. Wildman: That is right. Because in my area, and I know in places like Windsor, that has been the main approach the companies have used in order to lower the price of gasoline in the large urban centres; they set up a self-server situation where you cut your overhead because you don't have licensed mechanics working for you on duty and you don't have all of the other expensive types—

Hon. Mr. Bennett: But don't forget that is easy to say. I can tell you, in the service station experience, it was difficult to find mechanics. I know a number of operators who were constantly looking for mechanics.

In fairness and frankness, a service succeeds because it is popular, because the public wants it. Self-service stations came about, became popular, because people wanted them, because the price of gasoline at a self-service, versus the fellow across the street who serves you, washes your windshield, checks your tires and your battery and your fan belt and your oil and so on, was five, six or seven cents a gallon less.

Self-service became the thing because it was a reduced price and people wanted it. They found that self-service stations were getting a very high volume of business. The private sector is rather interesting, it responds in the area where the demands of the public happen to be.

Mr. Makarchuk: And once they get the independent people out of business, then they can jack the price up to wherever they want.

Hon. Mr. Bennett: Trends are usually established by people, not by petroleum companies. I think you will find, and I say this having talked with some people in the oil business, that as time goes along we will more than likely see a reversal of public attitudes toward self-service in the petroleum industry. That is a feeling that is becoming very prevalent in some of the oil companies, that they maybe have gone beyond the realistic limits in the number of self-service.

Mr. Wildman: All right, I would just like to point out that in spite of what the minister has said, I believe that in some of the western provinces the experience has been that when the industry becomes controlled completely by the larger corporations, and you have very few if any small lessees or independents left, then the savings that accrued to the consumer because of the self-serve situation tend to dwindle, because suddenly you find self-serve prices rising. I don't really think the consumer benefits in

the long term from this kind of situation and certainly the small business sector in the oil industry does not. I would hope the government would some day come to the conclusion that it has to become an advocate for small business in that sector.

Hon. Mr. Bennett: To finish off the review that you have made, I think the area in which we will have to become the advocate is through Consumer and Commercial Relations in relationship to the leases or the agreements entered into between the individual and the petroleum company in the operation of service stations. If I understand correctly the independent oil people, the lessees and others I speak with in Ottawa, that is really the area in which they would like to see government become more deeply involved in helping them to arrive at a common understanding of leases and making sure petroleum companies live up to those conditions. There is no doubt that vertical integration can, at times, create some difficulties for you.

I can only relate it to another area. It is great to trade off industries, rationalize industries by saying we can do away with this one, providing we can take the credits from this and use it for the strengthening of some other industry. You can rationalize yourself out of the industrial community completely, and then you are vulnerable to what the foreign market wants to charge you for the goods you get.

This, I suppose, is to some degree the same type of thing. I am willing to accept the remarks. I think it is in Consumer and Commercial Relations that we will continue to make our views known to try to assist the Ontario Retail Gasoline Association in its presentation. I do not know, Mr. Wildman, how active ORGA has been in recent months.

Mr. Wildman: It hasn't been. A lot of them are going out of business.

Hon. Mr. Bennett: Well some still belong to the association I understand.

Mr. Wildman: The membership is going on welfare.

Mr. Eakins: I was just wondering, Mr. Minister, if you could perhaps give us a run-down of the activity of this small business program, just to highlight some of the operations there.

I notice the consultive services is a new activity. Salaries and wages amount to \$565,000. Has this been a readjustment of employees, or have you taken on new employees in this field? I wonder if you could just give us a general outline of what is

included in the small business development program?

Hon. Mr. Bennett: I'll ask Mr. Radford, the executive director, to give you a full run-down on his division. Then if there are specifics we can come back to them.

Mr. Radford: There has been a readjustment of employees within the ministry, we didn't get any additional complement for it.

Basically, we're there to assist and nurture small business in every way possible; to promote industrial development, assist in exports, reduce imports by import replacement, provide business counselling and liaison with government programs and research organizations.

We recommend industrial locations as they apply to the areas of the 22 offices in the five regions. We have within the division a selective placement, which is immigration on a very selective basis for special skills and trades and so on. We have within my jurisdiction the university small business assistance program, which involves 12 universities in the summer months, with 124 students going out and helping relatively small companies—and when I say relatively, I mean really small.

We assist in technology transfer between companies, between joint ventures; and licensing as they come from the foreign offices. We have a number of programs to assist the servicing of industries, that is, in the small town municipalities mostly in the north and the east, rather than in south-western and central Ontario. Generally that involves financial guidance, manufacturing guidance, accounting, et cetera, to small business. I think that covers it pretty well, sir.

Mr. Riddell: How extensively are these services used?

Mr. Radford: Quite extensively; for instance in the university small business program, as I said, there are 124 students.

Mr. Eakins: You mean they are involved in the program?

Mr. Radford: Yes, from 12 universities. We had, in industrial locations within the province—I'm doing the minister's job now and he's doing mine providing information—we had 1,627 contacts last year. On diversification, that is changing from and making use of existing equipment, getting away from situations that may be going out of business and something else coming in to take its place, the old buggy whip program, there were 1,338 contacts on that with the people in the field offices.

We had 1,315 domestic marketing consultations with the staff. We had 1,300 in-

ternational marketing consultations, with the staff again, helping businesses go off-shore, at least the consultation. Whether they went off-shore or not remained to some extent the responsibility of the industry and trade division, because it's their budget that is involved when we recommend to people that they go on missions and that type of thing.

Mr. McKessock: Do you have any follow-up that shows what results you are getting from the consultation you're having with them?

Mr. Radford: Yes, they are followed up. We have what we call a project program. When we go in to do something for the company we check it out periodically through the year to determine whether it's still operative, whether the person has done specifically what we asked him to do or whether he's decided to abandon it.

We don't force anything on anybody. We write up our recommendations. Then we go back in later on to find out how many of them they've put into effect.

We have a program in the north and the eastern part of the province where we hire a consultant to go in. He works within the municipality and guides 25 or 30 companies in that municipality, usually in the area of the retail trades and that type of thing, although there are some manufacturers in that. He works very closely with them for a day or so on what they can do best to improve either the lifetime of the stock they're trying to sell on the shelf or changing their stores from one season to another and that type of thing. That program costs us almost \$660 per client and we've run about eight programs this year in various towns in northern Ontario; Timmins, Pembroke and so on. I can give you the details of those if you wish.

[9:00]

We've had 2,569 technology consultations, where the individual will have a problem in his manufacturing or something. We will either use our own expertise or come back to Queen's Park for all the engineering disciplines we have on staff there—and we're covered with every engineering discipline—to resolve the problem. If we can't do it, we bring in ORF or NRC, or hire the University of Toronto, or Queen's or McMaster, to come in and do it if our staff finds it's beyond our means. Usually ORF is able to correct it for us or give us the background we need in order to carry it out if the expertise isn't within our own jurisdiction.

We helped 835 service industries last year. Once again, I have to admit we're more reactive to these people than we are actually going out and looking for them, except

through the university small business program and through that other program I spoke to you about.

Mr. Eakins: When you speak of help, in what way do you mean; through advice?

Mr. Radford: Advice, yes. If financial advice is needed, in the manufacturing sector basically, most of our offices now are staffed with Ontario Development Corporation people who look after the financial guidance for the most part. We have two or three financial experts on our own staff, but when it comes to the basics of whether the government can give or lend money—excuse me, we don't give money anymore, lend money—we bring in ODC. If that program isn't applicable, we can bring in the FBDB, that's the federal government. We have our own small amounts of money, relatively small in comparison with the federal and that alphabet soup stuff that they had, that was quite extensive and they're now getting out of it because of the new enterprise.

Mr. Eakins: Of course, a lot of your applicants are referred to the FBDB unless they refer specifically to manufacturing or tourism, isn't this correct?

Mr. Radford: Even the tourism, because for the most part the tourism programs of this ministry are to create an activity in the area that's going to bring in more tourists, rather than getting into accommodation, in southern Ontario at any rate.

Mr. Eakins: That's one of the decisions you make in referring them to the federal development thing.

Mr. Radford: We've dealt with 915 municipalities on a guidance basis, as you know, helping them set up industrial commissions and literature programs to enhance the activities. One of the things we do in this area is to go in to try to get the municipality to create an atmosphere within it so that everybody in that municipality is a salesman—the girl in the restaurant, the man in the gas station, as you were talking about, and that type of thing. This is what happens in many municipalities; and if everybody isn't working very closely together that's one of the things that we emphasize.

We also have a very active part in manpower consulting. We work with the federal government to locate people who have skills in other areas of the province and try to bring them in.

Mr. Eakins: Do you make recommendations, say to the Colleges and Universities ministry, with regard to say apprenticeship programs when small business perhaps needs

help in this field? Do you work with Colleges and Universities people, do you have any experience in that field?

Mr. Radford: Yes, we work with Colleges and Universities. What we try to do on top of that is to get interested industrial people in the community to sit on the college boards, because that's where they take most of their guidance from. We work continually with them. We may see a need that can't be filled within the community for certain skills, such as welding; it's more the short term learning things rather than the long term.

On a long-term type of thing we'll get in touch with the Ministry of Labour, which has a program in conjunction with Colleges and Universities for it. We are interested in upgrading the community skills so that they don't have to go outside if they possibly can make use of it in that area.

We had 186 consultations last year in trying to stop layoffs and closures by one means or another, either by taking products in there to see if that company could find other products—

Mr. Wildman: You are talking just about the small business firms?

Mr. Radford: Yes.

Mr. Wildman: You're not including something like Anaconda, or are you?

Mr. Radford: Yes, if you want. You see, my division's people in the field are the eyes and ears, and to some extent the legs, of Mr. Garland's industry and trade division, because we're the first point of contact and in that area we hear things. That's the kind of relationship we're trying to build in the area; that if they're getting into trouble they come to the ministry before the fact rather than after it's too late.

In too many instances, these companies that play everything close to their vests are in difficulties and if we could get to them six months to a year before they got into these difficulties we could probably bring products to bear that they could manufacture on their licensing or many of the other services; bring ODC in so that its financial experts can go in and help them. Maybe they just need to change their accounts receivable procedures or maybe they're issuing too much credit or something of that nature. They're not making the proper use of the turnover of stock and things of that nature. If we can get at them in the first instances, early enough, we can very often save them.

Mr. McKessock: You talked about bringing in products. What type of products would you bring in, or where do you get these products?

Mr. Radford: The field offices throughout the world are always looking for either licensing arrangements, where somebody has got a product like this that they would like to have made here and they sign forms and give us literature that they're looking for somebody to make that product. We have in our files some 3,000 or 4,000 items of this nature. For instance, a week from next Thursday, due to the situation that's developing in Sudbury, we're going to take that whole team up to Sudbury for a day so that those people can come in and look at these articles.

They may not be manufacturers at this stage of the game; they may be servicing the industries but they've got welding equipment, they may have lathes and other equipment that can be transferred to the manufacturing sector, and we will give them the opportunity to look at those things through a micro-fiche viewer and if they have further interest we become a marriage counsellor then. We don't produce the child; we produce the situation where they can produce the child.

Mr. Makarchuk: In terms of export, I know you have your trade missions and everything else, but assuming that occasionally some country asks for a Canadian firm to participate in either a project providing supplies, et cetera, do you take any kind of initiative to either perhaps notify local businesses, preferably, to be involved in this thing?

Mr. Radford: These forms come in that I'm talking about on a joint venture or licensing arrangement or that type of thing. We try to do it through a bulletin service that goes out once a month and over the year there would be 1,200 to 1,500 items in that bulletin service. That goes out, to spread it all over the province, to give everybody a chance at it. If there isn't enough interest in that, at least it doesn't come back, we go then to selected companies. But we think that everybody should get a crack at it.

Mr. Makarchuk: Let me ask you an example. There was an ad in the Globe just recently, in the last few days, of a country that wanted proposals for something like electrical supplies to wire 4,000 housing units. If you see something like that what would you do with it, or do you do anything with it?

Hon. Mr. Bennett: It could very well be that we have been approached before it ever became an ad and asked to do something with it; as has the federal government, more than likely. We could do two or three things. We may even go through our IBM operation to find out whether there's somebody on file with us that we think has the capabilities or capacity to make—

Mr. Makarchuk: Could you tell me which country it was that had the proposal in recently?

Hon. Mr. Bennett: Can I tell you? No, I don't deal with them individually.

Mr. Makarchuk: Does anybody here know?

Mr. Radford: I don't remember that.

Hon. Mr. Bennett: Mr. Garland's not here and it would be handled through his division.

Mr. Makarchuk: Nobody here knows and you guys are supposed to be on top of these things.

Hon. Mr. Bennett: Let's be realistic, Mr. Chairman, that's about—

Mr. Makarchuk: It was in the Globe and the country was Jamaica and I suggest you pick up the Globe for the last two or three days and look at it.

Hon. Mr. Bennett: Let me tell you, Mr. Chairman, that there are a lot of companies in this province that are reading the Globe and Mail, and a lot of companies in this country that read the Globe and Mail.

Mr. Makarchuk: Just in case they haven't noticed.

Hon. Mr. Bennett: You asked me a question and I said I didn't know but I don't pretend to follow the newspapers—

Mr. Makarchuk: I don't expect you to know all the details, but that's understandable.

Hon. Mr. Bennett: Mr. Garland would know, he's the executive director.

Mr. Makarchuk: But I thought somebody around here—

Mr. Chairman: Order, order.

Mr. Eakins: I wonder, Mr. Minister, if you could tell us something about—

Hon. Mr. Bennett: Let me just finish, John, if I can.

Mr. Eakins: All right.

Hon. Mr. Bennett: The member asked what we'd do. We have the fact of any given commodity in a world market position that's required can come either through the federal government, through our government, through the trade council of that country, which is usually the way it does come, through the trade counsellor who comes to us with the request. We circulate it in the Opportunities Bulletin, which Vince has in his hand at the moment, samples of which we distributed here last week.

We also would source it through our own machine, the IBM, to see who has the capabilities and try to get people involved. Just as right now we have 1,750,000 homes that

they'd like to have in Iran, and we've got people in our ministry trying to source people that might be interested in getting involved in that contract. We haven't found very many.

Mr. Kerrio: Don't get the same troops that put the ones together in Italy.

Mr. Eakins: What about some of your new programs and new initiatives? What are you working on at the present time to help the small business sector?

Mr. Radford: The new programs are the ones that are really expansions of the programs that we had in the last year or two. There is also the energy bus, if you like, that goes around. It's a bus with a computer on it. You've heard of it; actually it's been in your area a couple of times, I'm sure. It has a computer on it and they get some advance information and they plug it into the computer and then it comes out and they can identify the amount of dollars that that company could save if it implemented all the savings that are identified by the computer.

We're having energy seminars going around the province showing people how to do it. We hope to buy, this fall, one of these ray guns that measures the heat losses coming off, heat exchanges, thermo vision type of thing, you've seen some pictures of it. We've got marketing seminars, but that's not new, Mr. Eakins. We're having retail management development seminars all over the province in order to help the retailer with his problems. You're aware of the business improvement areas that we're working on. Sixty of those municipalities have started business improvement areas to upgrade the downtown areas of municipalities and give them a fighting chance against these—

Mr. Eakins: Is that in co-operation with the Housing ministry?

Mr. Radford: The Housing ministry has a heritage program that is able to provide money to do it. There's no money tied into this program that we have, except the cost of a man and some slides and a seminar that we had here some time back.

Mr. Wildman: You've had joint seminars with the Ministry of Housing.

Mr. Radford: We've had joint seminars with the Ministry of Housing. There's no duplication on this at the moment. The two ministries are talking as to who should become the basic promoter of this, because they have money whereas we don't have money.

Mr. Eakins: Right. I just have one short question, Mr. Minister, because I know that the time allocated is very short and I'm sure we want to get on past both Ontario

Place and vote 2207, which I think is important. I'm just wondering, in your tours to various countries, how do you compare the small business sector in Ontario, or Canada, with what you see in other countries in terms of its importance?

[9:15]

Hon. Mr. Bennett: Oh I think, John, in fairness to you, that the small business sector, regardless of what country you happen to be in, has a very significant importance to the overall economy and employment position. Some countries deal with small business in different ways. In some countries the small businessman has been a more visible participant in the programs or in just the community than what it has been in Canada.

If you look at Iran, for example, and you go through a thing known as the World's Oldest and Largest Bazaar, a retail establishment there, it is like going back a thousand years. There are thousands and thousands of retailers in that one location in Teheran. How they exist I would not want to even guess at.

If you go into Germany, I don't think the presence of the small businessman is as great as it was maybe 25 years ago or immediately following the war. I think the same thing is applicable in Germany, although the small businessman is still a very important part of the whole system.

Mr. Eakins: Is Iran one of our large trading partners?

Hon. Mr. Bennett: Yes, it is our largest trading partner in the Middle East. About 40 per cent of all the goods we ship into the Middle East go into Iran. But they are rather sophisticated products and technology.

Our small business community is a viable one. It has its problems, in particular when there are sharp downturns in the economy. They usually feel the brunt of it first, because the consumer starts to restrict his purchases or tries to find other ways of securing whatever the goods are that he requires. The small business program is one that we have participated in very actively and in which we encourage the entrepreneur to take part in.

Our situation in Ontario, in Canada and I suppose around the world, is basically the same, when you talk to anyone. How does government get its message through to the small businessman? He is not likely a member of the board of trade; he is not likely a member of a service club; he likely works early in the morning to late on in the day; he doesn't have time to read the bulletins sent out by governments, either provincial,

federal or state. So the message that you and I, as taxpayers, pay to get to him doesn't really hit his doorstep.

I looked at the small business storefront operation that they have throughout England and there are some pitfalls to it. If they were going to do certain things again, they would do them considerably different, because they just don't think they have really been able to hit the core that they wanted to hit.

If we come back to advertising, I think the ministry is going to look at areas that have been recommended by some communities; maybe the essential place to hit is in the early morning hours before people go to work, on radio. Perhaps we should try to encourage them to come forward and inquire about some of the programs that government has in place, provincially or federally. They strongly suggest that maybe we should look at the seven to eight o'clock hour period on some of the radio stations across the province as being maybe the best hour for salesmanship of our programs. We are going to look at that rather carefully in the next few months to see what the assessment is, not only by our people but by the radio stations themselves. It could very well be that will be the hour of best contact. We don't know at this point.

But it is not an easy job. Of all the programs that we have trying to get the message through to small businesses, it is as difficult in Ontario as it is in Quebec, and as it is in Manitoba or Alberta or anywhere else. We just have not found the key.

You can run all the ads you want in newspapers, but if they don't read them you really haven't succeeded in doing much. You have to find a point of communication that is easy for them to take in while they are concentrating maybe on other things as well. So that is why we are going to look at radio.

Mr. Ziemba: I would like to bring up two items that are of interest to me and I hope to get a couple of commitments from the minister. I'd like to talk about retailers and refineries.

We will start off with retailers. Business improvement legislation is on the books which allows small entrepreneurs in a given area, usually up to about 200 in number, to band together and to tax themselves, over and above their regular business tax and property tax, to upgrade their area, improve their streetscape, perhaps advertise jointly. This is recognized by the small business community as fairly progressive legislation;

and besides it doesn't cost the taxpayers anything, it is these small businessmen taxing themselves.

There are about 50 of these small business improvement areas in this province; and as far as I know they have been an overwhelming success. There is a problem, though, now that they have been on stream for about five years. They are running out of things to buy with the money they raise every year in taxing themselves. Many of them have started up small newspapers to advertise; some of them have planted trees and flowers and shrubs, or they have added benches. I belong to one in Bloor West Village that was the pioneer of the business improvement area legislation.

It seems to me, Mr. Minister, that the government could intervene at this point and provide some long-range planning for these small independents who are serving, usually, the old part of the community. In other words, they are in direct competition with the shopping plazas and malls. It seems to me the government could perhaps plug them into ODC and encourage them to get into more expensive and long-term purchases, rather than one-shot deals. If they raise \$50,000 as an association, they go out and spend it, and usually the last little bit is spent frivolously. This has been my finding.

What I am suggesting is that they could get involved in a fairly extensive project for, say, upgrading the entire area which would run into hundreds of thousands of dollars. If so, perhaps they could plug in to your ODC and you could still treat the money as a loan, guaranteed by all the merchants along that retail strip. Failing that, you could perhaps provide for legislation that would allow them long-term financing and allow them to seek funding elsewhere if ODC was booked solid, as it probably is. As things are now they are limited as to the type of projects they can get involved in.

I'll just leave that at that point and get into the other thing that I am keenly interested in, refineries and the steel industry.

Going back to what Mr. Kerrio brought up in the question period today, I was keenly interested in your response to his concern about some sort of guarantee that when the Alcan pipelines are built our steel people are going to get some work out of that. It seems to me if your batting average continues the way it has been, they have a very bleak future.

I have checked into the Gulf Oil refinery that is being built in Clarkson. There is a \$180 million expansion project under way there and Foster Wheeler is the contractor.

Foster Wheeler's office is in St. Catharines, Ontario, but their real office is in Livingston, New Jersey. This is a massive expansion project—\$180 million—and one of my contacts right on the job site informs me that 85 per cent of the material that is being used in this site is imported, mostly from Japan. This is stainless steel and other specialized steel piping such as valves, couplings. Here is one that is union made—it is good therapy opening and closing this, it's what I have been doing all afternoon.

Mr. Makarchuk: Is it UAW or Steelworkers?

Mr. Ziemba: Mr. Minister, I have checked with the contractor and they inform me that the reason they can't buy too much locally is because it is all very sophisticated material that is just not available here in Ontario; that's the reason these Japanese products are finding their way into Canadian projects.

The first outfit that I phoned, under steel tubing in the Yellow Pages, said, "Well yes, we can produce all that, no problem. We can produce anything they want. A quota is slapped on us—under the auto pact—when we ship to the US. It has to be auto-pact type material only. We can't ship long lengths; we are really restricted as to what we ship. But the borders are wide open as far as Japan is concerned or any other country that wants to dump here."

In fact I found later on that there's been all kinds of dumping going on. There's been a second federal investigation into dumping on the Ontario markets, and it's still coming in. Gulf Oil explains it by saying that other countries are more competitive.

Mr. McKessock: In 300 or 400 items?

Mr. Ziemba: I'm talking about the sophisticated equipment made in Japan.

Mr. Kerrio: There's a fair amount of nickel in that too.

Mr. Ziemba: Yes, there's a fair amount of nickel, and a fair number of jobs are involved in this. Every time we import something like this we're importing unemployment.

I'll let you look at this, Mr. Minister, to get your analysis.

Hon. Mr. Bennett: How can I tell you about it? I'm not a machinist.

Mr. Ziemba: You can see how sophisticated it is.

Hon. Mr. Bennett: I wouldn't know whether it's sophisticated. Give it to Mr. Radford; he's an engineer.

Mr. Ziemba: It's a real problem for our people to come up with something like that.

Mr. Makarchuk: Any Texaco machine shop graduate could turn out those products.

Mr. Ziemba: This Toronto-based manufacturer assured me he could supply this same stainless steel piping and other products, using Canadian labour at competitive prices. In other words, that union is worth probably \$100 and that's what was eventually billed. But if they could pick it up for half price from Japan, why not; some middleman made himself a quick buck.

The manufacturer wasn't asked to participate; he wasn't asked to tender on this project. Many of them are very concerned about not being invited and not being given the first opportunity to get involved in a project of that size.

I know this doesn't come under the minister's purview, but it seems to me he should be putting incredible pressure on the feds to make sure that dumping like this doesn't continue, and to assure myself and Mr. Kerrio that there will be jobs available, that there will be Canadian steel content when the Alcan pipeline is built here, even if we have to pass legislation to give us that assurance.

Canada is regarded as a happy dumping ground by manufacturers in Japan, West Germany and Korea. It seems to me that if we intend to develop our resource sector and are trying to put any sort of focus on the secondary manufacturing, something as basic as that union is a good place to start.

I'm just going to wind up on a final critique of the Gulf Oil refinery. I checked into the supervisory staff of that refinery. There are 71 of them—25 Canadian, 44 from the US and two from the UK. That's 44 Americans holding down jobs which Canadians, for a large part, are qualified, ready, willing and able to fill. Also, the Americans are earning between 20 to 25 per cent more than Canadians holding down the same jobs at that refinery because of their expatriate allowances and the US tax advantage they enjoy.

[9:30]

I don't know what you can do, Mr. Minister, in regards to clamping down. I know when Canadian firms get contracts in the US they don't take all their in-laws with them. It seems to me that at a time when unemployment has reached the level of the Great Depression, we should perhaps be looking more carefully at these kind of projects.

This isn't just going on in Clarkson at the Gulf Oil refinery. I understand, from talking to tradesmen that the Pickering Hydro project, as well as the Hydro steam generating plant in Nanticoke, has a large component of imported parts, as well as the Douglas Poir

Hydro project. This is public funding. Why aren't our people the first to tender on jobs of that magnitude? Keep the jobs in Ontario; keep people in Sudbury working.

How about answering those two questions on the business improvement area and giving me some commitment?

Hon. Mr. Bennett: First of all, Mr. Chairman, let us go through the member's statement, which I am not going to get involved in tonight, because it does not rest in my field; and I am not even sure whether there is any accuracy in his statement. He used the word "dumping". There is a dumping tribunal that is set up federally in this country. People can take their case, if they think there is dumping taking place under domestic market—

Mr. Ziemba: Yes, there have been two investigations.

Hon. Mr. Bennett: There have been more than that. The dumping tribunal has had many cases before it. There have been some successful ones and others that haven't been successful.

Mr. Ziemba: Well, are you happy with the way it operates?

Hon. Mr. Bennett: Let me put it this way, Mr. Chairman, I am not going to express an opinion as to whether I am happy with the way it operates, the fact is that it is an independent body—

Mr. Makarchuk: Why shouldn't you express an opinion? You are the responsible minister.

Hon. Mr. Bennett: You are such a smart member, you should sit in Ottawa for a period of time and listen to it. I am not going to prejudice the tribunal, Mr. Chairman. The fact is that the tribunal sits—

Mr. Makarchuk: I can't be in two places at once.

Mr. Chairman: One at a time, please.

Hon. Mr. Bennett: —and listens to the evidence. Let me finish.

Mr. Makarchuk: Okay.

Hon. Mr. Bennett: I didn't say two minutes. I will take what time is necessary to answer the question.

Mr. Makarchuk: You are not answering the question.

Hon. Mr. Bennett: I am certainly answering the question.

Mr. Makarchuk: My question was that you are the responsible minister—

Hon. Mr. Bennett: You didn't ask the question. I think it was the member for High Park-Swansea.

Mr. Makarchuk: That was a comment on your question. You are the responsible minister in this province—

Hon. Mr. Bennett: Not for dumping.

Mr. Makarchuk: —charged with certain responsibilities. Perhaps there is no evidence of dumping; on the other hand, perhaps there is. Shouldn't you, perhaps, feel that maybe the federal people are not doing their job, and therefore you should get off your butt and move in there and say, "Look"—publicly, and in front of the press and everybody else.

Hon. Mr. Bennett: You know, it takes a fair amount of time, background and evidence for one to determine whether there is dumping. It is not a simple matter of just cut—

Mr. Makarchuk: Who said it was?

Hon. Mr. Bennett: Do you wish me to answer the question or do you want to continue to talk, because I have got all the time in the world. As Mr. Wildman knows, we have not been in any rush in this committee. We are prepared to discuss the votes out. I am prepared to discuss it, but I am not going to try and fight anybody in this particular situation. If you want me to answer it, I will answer it.

The dumping tribunal meets. The facts and figures are put forward by the corporation or corporations—if it happens to be a team effort—to present the situation on dumping.

It takes months and sometimes years. The board has to be confident that the corporation knows the selling price of the particular goods that it is claimed are being dumped on the domestic market.

I have a little bit of personal experience, because there was a company in my riding that went through it for a two-year period and eventually won the case. It was virtually brought into bankruptcy as a result of it, but the fact is that it won the case and today is back on the market in a very stable position economically.

I would not know about the particular products referred to as being dumped. If there is a dumping situation—

Mr. Makarchuk: Mr. Minister, that is not my question.

Hon. Mr. Bennett: —then I would strongly suggest that the member can recommend to those who believe they are being dumped on in this market, that they take their case to the federal agency.

Mr. Makarchuk: Well Mr. Minister, I have a feeling that, in a similar position, if I felt that an Ontario firm was not getting a fair break from the people at the federal level of government then I would do something about

it. Are you happy with the way that tribunal operates?

Hon. Mr. Bennett: I have never had a firm go through the hearing and come back to me to say that it felt that—

Mr. Makarchuk: Well, maybe there was no point.

Hon. Mr. Bennett: Just a moment. I have dealt with a number of them. We have listened to their cases, but we do not present ourselves before the board because we are not experts in it.

Mr. Makarchuk: Are you happy the way the board operates?

Hon. Mr. Bennett: You are asking a question it is virtually impossible for me to answer, because I have not sat down and watched every case in operation.

Mr. Kerrio: Surely, you are not averse to taking a little run at the fence once in a while.

Hon. Mr. Bennett: Well no; but I will tell you that if they are doing the job properly, I will also give them credit for doing that, because that is the name of this game.

Mr. Kerrio: Certainly.

Hon. Mr. Bennett: We are in it to build an economy in Canada, not singularly Ontario. The fact is that people on the tribunal are Canadians and I would hope and believe that their interests are in trying to make sure that the industries of Canada are protected.

Mr. Makarchuk: I would question that sometimes.

Hon. Mr. Bennett: Well, I don't.

Mr. Makarchuk: I would introduce a little element of scrutiny at some of the things—

Hon. Mr. Bennett: You might and your party might, but we're not prepared to say that—

Mr. Chairman: I want to remind the member that Mr. Ziembra has the floor and when your turn comes up—you haven't even indicated that you want to speak; if you wish to speak I'll put your name on the list and then you can speak, okay?

Mr. Ziembra: Actually, Mr. Chairman, dumping is really a secondary issue. I'd like to know from the minister what he's doing to ensure that Canadian companies are making components, especially for the public projects, the Hydro projects at Nanticoke and the Pickering plant that was built. Why aren't we going through there and just taking an inventory of where all the parts came from?

Hon. Mr. Bennett: Mr. Chairman, Ontario Hydro and the contractors who have been in-

involved have tried to source most of the material in Canada. There are some of the engineering techniques and technology that are not Canadian and products are not made in Canada because of the cost of trying to produce it.

Mr. Ziembra: Like that union.

Hon. Mr. Bennett: I am not going to talk about specific items. I would not be knowledgeable of it, obviously. There are thousands of contracts daily in this province that are signed, both in the private and the public sector. It would be far beyond the capabilities of our ministry to try and analyse every contract and tell you whether every part could or could not be made in Ontario or in Canada.

We have had seminars where Hydro has shown the things they require in the development of their system. We have sought out Canadian producers, sought out Canadian suppliers, sought out Canadian engineers and technology to develop the product. On some of them for volume reasons only, no other reason, we could never compete in trying to make the product singularly in Canada. They've been designed and developed in other countries of the world and we've bought them.

Just so we keep things in some perspective, there are certain trade-offs made in the field of trading; it's not a one-way street.

Mr. Ziembra: We sell them the raw product and buy it back as finished goods.

Hon. Mr. Bennett: There's no doubt about it, in some cases we do.

As for the contract with Gulf, I have no understanding of what it involved, or the details of the architects, the engineers or anything else. Basically, I think Canadian firms, and including petroleum companies operating here, have tried to source as much as they possibly can in Canada. They realize they have a responsibility to the economic well-being of this country, because if they don't they won't have consumers; and if they don't have consumers there's no need of developing the products they're developing, on world markets or on Canadian markets. That's the short and sweet of it.

Coming back to the pipeline, you asked me what we're going to do to legislate. First of all, let's realize that the pipeline doesn't come across Ontario, that's the first thing. The pipeline will be virtually a western product.

The deputy and I and others in my ministry have talked with Mr. Horner and Mr. Osbaldeston, the deputy minister in Ottawa, relating to the subject of pipe manufacturing

for the pipeline. There is still a great deal of discussion going on, even about the size of the pipe and about the pressure the pipe will operate under.

Mr. Ziemba: Any pipeline manufacturing that takes place in Canada will likely be in Ontario though.

Hon. Mr. Bennett: I'm not going to deny that.

Mr. Ziemba: It doesn't matter where it runs.

Hon. Mr. Bennett: Mr. Chairman, as long as we keep very clearly in mind—and I don't care where the manufacturing is—that when you say we're going to legislate the demand for making it in Ontario or in Canada, that would be great if it were coming across the lands of the province of Ontario, where we could dictate maybe a little bit, but it doesn't happen to be coming across the geographical situation known as Ontario.

Mr. Riddell: Don't be too sure that Alberta won't get into the steel business either.

Hon. Mr. Bennett: I will admit there's always that possibility—that it will be one of the trade-offs Alberta will demand for some of the exploitation of her oil resources, I don't know. She tried to do it in the petrochemical industry when we had the most recent project, Petrosar, developed in Sarnia. They tried that, but they'd gone too far down the road and the federal government said Ontario will proceed with its development. But even to this day the government of Alberta thinks it was shafted and thinks that it should have been given that particular petrochemical project.

So there's no doubt they may try to put some pressure on about getting the rolling mills and the pipe manufacturing in their province, I don't know. I would have to think that time factors are going to be against them, if pipe is starting to be delivered at a date relatively soon. There again, I am not an expert in knowing the time periods and so on.

Horner has said very clearly to us that they will continue to fight their case on behalf of Canadian manufacture of pipe, so that the size and the pressures are within the capabilities of our manufacturing here in Ontario and in Canada.

It was not signed in the deal, to the best of my knowledge. It's still left open for debate and discussion. Engineering technology relating to pressure has not been finalized on how the movement of this oil will take place in the pipeline. Until that's determined, my understanding, as short and as abbreviated as

it is, is that no one could make a final determination on pipe manufacture until those technical problems are resolved.

Mr. Ziemba: If you are interested in passing laws to ensure that Ontario manufacturers are involved in the manufacture of a pipeline, what about the Polar Gas pipeline that's being built in northern Ontario across our real estate? Would you want to make some sort of commitment to our people with regard to the northern pipeline that's being built?

Hon. Mr. Bennett: I would have to check out to see what our conditions have been. I understand most of the pipe right now is coming out of our pipe mills, Stelco and so on, right here in the province of Ontario. Whether it's coming 100 per cent from there I don't know, I can't tell you. I do know that at the time they were originally discussing it, it was said that if the whole supply was to come from here, it would use up more than the capacity of our present rolling operations in pipe manufacture. I can't answer you right off the cuff what the situation is.

This ministry has gone on record, and has gone to manufacturers, suppliers and end purchasers in order to make sure we have the greatest participation possible in the supply of goods, services, technology and so on, in the development of their manufacturing locations. Just as long as we don't forget the idea there's still a little thing known as GATT negotiations on tariffs, so you can't put all the non-tariff things in place that you might like to without suffering some of the consequences when the page is turned by the country you're taking the action against. We have experienced some resentment in market-places on textile and leather policies adopted by the federal government and supported by the government of the province of Ontario.

Mr. Chairman: Do you have any further questions, Mr. Ziemba?

Mr. Ziemba: Yes, on the business improvement area, do you have any comments on that?

Hon. Mr. Bennett: I'm not sure what the member means. Is it the Bloor West project you mean? What would you suggest we do?

Mr. Ziemba: It's not just them. There are about 50 of them in the province.

Hon. Mr. Bennett: I know, I've got the whole list of them right here.

Mr. Ziemba: I would like to see them have the opportunity to get involved in long-term planning or long-term funded proj-

ects, rather than being yearly funded, where the budget is just spent that year.

Hon. Mr. Bennett: There again, our people are out advising these people and dealing with them, sitting with them, and going over their plans. The Development Corporation is for specific companies. If we're going to get into group financing, mister, somebody had better have a pretty good idea who's offering the guarantees at the bank.

Mr. Ziembra: Each one of them is committed by way of their taxes aren't they?

Hon. Mr. Bennett: Yes, that's right; but when we get into guarantees with our loan program, I'm not sure who's guaranteeing what, then. Our program has been developed to establish a lender of last resort to try to develop a particular industry.

Mr. Ziembra: I understand that it would be difficult because they might go out of business.

Hon. Mr. Bennett: If you're going to broaden it out, we'd better be sure who's broadening it out to cover it.

Mr. Ziembra: They outlive their usefulness, most of them, because after they spend X amount of dollars there isn't that many more benches they can buy.

Mr. Radford: Bloor West is a classic example of something that's ongoing. As you said earlier, this was the first organization that set out to get the Municipal Act changed so that the people in an area could ask the local government to tax them for it.

In looking at it, and I drove through the area tonight, I don't see that it's not an ongoing thing. They seem to be improving it every year, going up Windermere Avenue, Armourdale and Willard and so on. It is just a little bit farther up with all that improvement, that is in behind the stores over the subway and that type of thing.

Mr. Ziembra: The junction area.

Mr. Radford: I think if you provided them with a big pile of money you would kill the enthusiasm of those people for an ongoing thing. They are always looking for something better.

Mr. Ziembra: Usually gimmicks.
[9:45]

Mr. Radford: It's gimmicks, but it is sure working in that area. Out of the 50 or 60 that we have, the rest of them have a long way to go to catch up to Bloor West. I think that is part of the psychology of the improvement that goes on and on.

Mr. Kerrio: Mr. Minister, you have touched on the subject of the Alaska pipe-

line. It just so happens that I asked the Premier today a question that concerns me a great deal, and I hope it is reiterated here in a very constructive way.

I have a great concern about the input of Canadian product into the pipeline. In a financial journal I find that the agreement between the United States and Canada doesn't specifically relate to where the pipe is going to be bought. That disturbs me. They say in the agreement: "The Canadian-US agreement on Alcan simply states that each government will endeavour to ensure that the supply of goods and services to the pipeline project will be on generally competitive terms." A very small statement following says: "That also was the case in the building of the Alaska line when the order for the pipe went to Japan."

That is what concerns me. The question I asked of the Premier today, and I would like to pass it on to you, is, can we do anything constructive to appeal to the federal government to get Canadian input?

Foothills Pipe Lines (Yukon) Limited has the contract to put in the pipeline. Alberta Gas Trunk Line and another one are going to enter into a consortium to put this pipe in. I have spoken with the president today and I have also phoned and talked to the Stelco company and the subsidiary of Stelco in Welland, Page-Hersey.

The pipe in question goes from 42 inches up through 48 inches to 54 inches, varying in wall thickness from .540 to .720 which is somewhere between half to three quarters of an inch. This is spiral weld pipe. I am pleased to report here to you tonight that in speaking with representatives from Page-Hersey they have made runs of up to 48 inches on their spiral weld machinery and have some sitting in their yard in Welland right now. There are some one million tons required over a three-year period.

Mr. Minister, my question is, how can we constructively relate to this pipeline as it relates to Canada and the Canadian people and then as it relates to the people in the province of Ontario? I would ask you, and I asked the Premier today, I hope in a very constructive way, can you or would you do anything to hopefully get some of our product in that pipeline? As I said before, I took the time to find out that all sizes and thicknesses that are being considered can be manufactured in the Page-Hersey pipe plant in Welland.

Hon. Mr. Bennett: I think they can go up to 60 inch.

Mr. Kerrio: Yes, well they are only considering up to 54 inch.

Hon. Mr. Bennett: Yes, I think up to 54 is the maximum size in the pipeline that they're considering at the moment. We, the deputy minister and I, have spent two or three occasions now with Mr. Horner, since he's been the new minister, discussing the problem of getting the pipe manufactured in the province of Ontario.

Mr. Wildman: Just commenting, there's a certain ideological affinity there.

Hon. Mr. Bennett: What? I imagine that Jack is still a free enterpriser. He's still a great believer in the system finding its own level and I can concur in that.

Mr. Kerrio: I'll join that group.

Hon. Mr. Bennett: I hoped to heck you would. If you didn't, I have a couple of fellows sitting at the table who'll throw you out.

Mr. Bounsall: I wouldn't dream of inter-fering to get the pipeline made in Ontario.

Hon. Mr. Bennett: We don't make the type of pipe that you have in your hand, I know that.

Getting back to the steel pipe that we were referring to a moment ago, Mr. Horner has continued, through our people in the trade division, to negotiate the possibility of Canadian pipe being supplied. As I said earlier, as soon as they have the technology aspect settled, I think they will get on with Canadian quotes.

Mr. Horner told us very clearly, we have got to remember we are in a competitive situation, even though it is coming across Canadian soil. The pipeline people have said if the contract doesn't exceed the price by—I forget the figures, and I can get them for you—but that they will put in the second line without any contribution by Canada; that is the line between Yellowknife or Whitehorse, I forget the exact position. Anyway there is a rather complicated agreement and it goes right back to cost.

Mr. Horner is as concerned about the use of Canadian steel and that a Canadian manufacturer of pipe should be put on the pipeline as anyone. He prefers, because of the trade balance situation with the United States, to see Canadian supplies being used.

I personally think maybe we should be a little more forceful in our attitude to the contract, that is without knowing all the details of the negotiations that went on I would have thought we could have spelt it out in the contract.

Mr. Kerrio: I think we could have pressed it originally; yes, I do.

Hon. Mr. Bennett: We could have pressed it and forced the situation, based on the right of coming across Canadian soil and so on—

Mr. Kerrio: Absolutely.

Hon. Mr. Bennett: —we would be the suppliers of pipe on a competitive basis.

Mr. Kerrio: And maybe a portion of it; a guaranteed portion of it at least.

Hon. Mr. Bennett: I am a little selfish, I want it all.

Mr. Kerrio: Well, the Americans are paying for it and—

Hon. Mr. Bennett: That's fine.

Mr. Kerrio: —at the same time their steel plants are down.

Hon. Mr. Bennett: That's fine, but you know there is a certain advantage that goes to them.

Mr. Kerrio: I am suggesting that if we couldn't have negotiated for it all, we might have negotiated for—

Hon. Mr. Bennett: Mr. Horner has assured us he will continue to press it. We will follow it up on a rather regular basis with him to make sure there is no lack of effort, federally or provincially, in making sure that Stelco, Dofasco, Page-Hersey Pipe and the others you speak of in Welland get their fair share.

I would just like to make one final comment on which you and I would have to agree, and that is it has to be on a competitive price basis. They just do not get the opportunity, because they are Canadian, to put the shillelagh to whoever is buying the pipe.

Mr. Chairman: I would like to remind the members we are discussing a small business development program and if the pipeline is small business, I would like to see a big operation.

Mr. Kerrio: It is about the biggest thing that is going to happen on the continent.

Mr. Eakins: This is some of the big business.

Mr. Chairman: Yes, but we are discussing small business development program.

Mr. Kerrio: Thank you for bringing that to my attention. I can now address myself to the vote.

Mr. Eakins: We are getting out of our field here.

Hon. Mr. Bennett: The spin-off from the pipeline to small business will be just astronomical.

Mr. Kerrio: We were discussing small business as it relates to the ordinary outlet for oil companies' products in our various cities.

Mr. Minister, through the chairman, I'd like to suggest to you that I've made a study of that and find prices at the outlets are generally very competitive, and in fact lower than the \$1.03 allowed by the AIB as the base price for the low end of the fuel prices.

I think most Ontarians, at small outlets in particular, are enjoying a very competitive position because of a situation that has created a gas war right now.

Since early 1970, as you can see from this chart where the solid line is the demand and the dotted line here is the refining capacity, the refining capacity has increased to the point where the oil companies are attempting to put each individual product on the market and as a result I think the small private outlet is right now enjoying a very comfortable position. Maybe in some parts of the country that's not so, but I think by and large, that is happening across Ontario.

When the Clarkson refinery is completed, in another year, every jurisdiction across Canada, except Saskatchewan and Manitoba, will have a great deal more refinery capacity than demand. Hopefully, the small entrepreneur and the consumer are going to continue, I think, to enjoy reasonably good prices. I thought I'd bring that to your attention today because I was somewhat involved with it.

There is one more area I would like to touch on and probably as it relates to small business. It seems to me that a year and a half ago a former Conservative, a former member of the Legislature, led a task force on small business in the province of Ontario. I don't like to give him any kind of ink by naming him. In any event, I sat in on one of those seminars in St. Catharines and I think, Mr. Minister, that two or three very important issues were brought to light.

Number one, at that time, and I don't see much change in the temper of things for small business, the availability of affordable interest money to small business was difficult to come by. As a person who borrowed from IDB as was known at the time—that's now the FBDB—at any rate I had occasion to borrow \$75,000 from them and I have to tell you in order to pay off the loan my small company paid a \$5,000 bonus. If ODC is in a position where they are going to send people to IDB, or FBDB as they call it now, and those conditions still exist, that really isn't much help for a small businessman.

Mr. McKesock: Bonus or interest?

Mr. Kerrio: Bonus, penalty.

Hon. Mr. Bennett: You paid it off early, was that it? A penalty to pay it off early.

Mr. Kerrio: Yes; and the fact of the matter is, in reality if the government had money going back to their coffers to put out again I thought they would induce you to give it back. I thought maybe there would be some kind of a bonus to the individual who borrowed the money rather than the other way around. That sort of thing existed in that area for many years and it certainly hasn't helped the small businessman.

I would further suggest there are areas where some of the bureaucracy should be taken off the back of small business as the first inducement to help small business. I will cite an instance.

In our particular business, the construction business, the Minister of Revenue decided they needed more tax dollars. We all have to agree with that fact. In the construction business you could recover the tax on fuel for construction equipment, including bulldozers and compressors that didn't run on the road. Diesel-powered vehicles with a licence plate paid the tax and you couldn't recover it. On these other vehicles you enjoyed the privilege of recovering the 23 or 24 cent diesel fuel tax, since they were off the road.

Now somebody in the bureaucracy decided they would not allow the recovery of the tax on construction equipment used on the construction and/or maintenance of a road. A small company that had a road grader that was working for the city, either to grade the road or to clear snow, could no longer recover the fuel tax. If it left the road and went to work for a private company, you could apply for and recover the fuel tax.

How in all conscience, any bureaucrat could force a small businessman to keep a set of books to try and determine how much diesel fuel each engine burned in order to be able to recover on some and not recover on the rest? You begin to see the kind of burden that's placed on a small businessman.

Over and above that, you are confronted with the government then attempting to keep the record straight and go in and audit the books of all these individual contractors. Now I am suggesting to you here tonight that a nominal increase across the board for all diesel fuel would have been a blessing to the individual who had to keep the records and a great saving to this govern-

ment in the collection and maintaining of some kind of audit over those records.
[10:00]

I have cited a specific instance. I am suggesting to you many such instances and many such bureaucratic types of involvement exist. Not just from your particular ministry, but in many other ministries as they relate to a small contractor, I am suggesting if you would address yourself to removing some of the burden that's being carried by small business today I think we'd accomplish as much as some of the other areas that we're going to address ourselves to in this new opening of the minds to see if we can't get small business a viable entity in our society again.

Mr. Minister, I don't want to take much more time because time is going on and there were a few other matters to discuss, but this same thing relates to the task force that came down and asked 75 or 100 assembled businessmen what some of their problems were. I had hoped, with the kind of time that has elapsed, that we could have addressed ourselves to some of these problems.

I think that in lean times, over the years small businesses have ploughed back some of their liquid assets in the form of depreciation to keep going, which is not realistic. I heard some staff members of your ministry suggest how they can help small businesses improve their efficiency. But the thing that bothers me most is to what degree your ministry will address itself to relieving the burden on small business as it relates to some of the suggestions that I have made here tonight.

In passing, whether it relates to big, small or middle-sized business, I'm content to let the free-enterpriser show his entrepreneurial ability, his dedication and his willingness to work long hours; I would like to see anything we do to him only reflect in taxing him on the profits he makes.

Mr. Wildman: You still live in a mythical world.

Mr. Kerrio: Mr. Minister, I'd like you to comment on those few related items.

Hon. Mr. Bennett: Mr. Chairman, I appreciate the fact that over the last few years there have been a number of people who have recommended some things related to small businesses as far as bureaucracy is concerned, notably the removal of bureaucracy to try to reduce the paperwork in particular that small operators are confronted with. I accept a number of the views, and we've tried to move into some areas and reduce the problems and the paperwork.

One of the things that the small business advisory committee will be challenged to do—I circulated the names of the members here a week ago; and they are a cross-section of the private sector—is to look at some of the reports from people in our ministry, people from private groups, people from the independent business groups—and to give full recognition, they might have come from the Liberal caucus—and to look at things that might have been recommended in relationship to small business and some of the things that take place therein.

Their job will be to analyze those situations and to come in with some very positive recommendations, in a preliminary report early next year and, I hope, with the final report within a year's time thereafter. I have in mind things that might change regulations—not specifically in the Ministry of Industry and Tourism but in the government's policy in dealing with them. There's no doubt about it, that some of them will have a cross-pollination with the federal government's policies, because there are a number of things they ask of small business that are onerous on the small business community.

I met with the advisory committee members last week for the first time, and I was impressed by their enthusiasm and the extensive background that most of them have had, not only in the areas they happen to be operating in today but in their past history. Some of them occupied government positions at one time or another or came from institutions that related to government, and so they are fairly knowledgeable about the fact that government can be a great burden in its paper demands. Their comments to me indicate that their recommendations, I hope, will have some practical applications.

I can't offer the assurance that all the things that will come forward will be that easily implemented by governments either at this level or at the federal level or indeed even at the municipal level, because I think they're going to find a few problems at that level as well that are difficult for small business to cope with.

I appreciate your comments and, in dealing with the small businessmen in my community and having been an insurance agent, which is a small business, I am fully aware of the complications and confusion we cause in reporting statistical information, tax information, unemployment insurance and holiday deduction programs; you name it, we've got it. They all add to the entire complication and confusion of the small businessman's life and in some cases I would think it must drive him to the point of wondering whether it's

realistic or even practical to stay in the operation, and why he doesn't get out and work for somebody else.

What I'd like to do is find solutions to some of the problems. We are not going to find them for all of them because they vary considerably. But I have great confidence in the input we will have from the advisory group.

We are analysing the report by a former member to which you referred earlier. It already has been given to them, for their analysis and report. Sometimes reports made by a political party become, in the eyes of others, too biased a position. I tell you frankly, the advisory committee I have at the moment—and you can heehaw, you can do anything you want—is made up of people recommended to me, most of whom I never even knew until last Thursday evening. They are not from a political calling in life. I wouldn't know even what some of them profess to be. I have a vague idea they don't represent the third party's views in the province of Ontario.

Mr. Wildman: You never know.

Mr. Grande: Don't be too sure.

Hon. Mr. Bennett: I tell you I have a greater assurance of that than you would believe.

I said I didn't know positively, although I can tell about their attitudes towards, as Mr. Kerrio and I have discussed, the free enterprise system, the profit and loss system and the cheques that bounce.

Mr. Kerrio: I have one more matter I think I would like to bring to the attention of the minister. One concern was brought to light at a meeting a week ago in the Niagara area. As the problem relates to small business in southern Ontario, I have a comment here made by a Niagara Falls, New York, businessman who attended the meeting and it's very interesting.

Hon. Mr. Bennett: Oh, comment. I thought you said "comic."

Mr. Kerrio: Yes. This comment was made by a Niagara Falls, New York, businessman: "United States investment dollars once directed towards Canada are being rerouted to the state of New York, a Niagara Falls, New York, businessman told a meeting of the Niagara Falls, Ontario, Chamber of Commerce Wednesday. John Reardon, Chamber of Commerce manager, Niagara Falls, New York, told 70 city businessmen the US sees Canada as losing its grip on business. 'You only have a short time to improve things,' Mr. Reardon warned. 'Already small Canadian companies are relocating in the States.'"

The competition is quite unfair. I don't know how we can relate to it, Mr. Minister. I would suggest to you the reasons for moving are the United States went through the throes of many large industries moving from northern New York state down into the southern states where I imagine labour is cheaper, and overall living being what it is in the southern states, leaving northern New York state in a bad situation with business.

What they are offering in New York state in the way of equipment, tax-free revenue plans to generate new business and plans to generate revenue, is causing the movement of small businesses from basically the southern part of Ontario into that area. I don't know how we can address ourselves to this problem. As I am suggesting to you, I think it is unfair competition when a state becomes involved in supplementing these businesses with tax incentives in other areas.

Mr. Wildman: And you get all the workers coming here.

Mr. Kerrio: Yes. At higher wages, I'd be coming this way, too.

Mr. Ziemba: All the way from Texas.

Mr. Kerrio: In any event, Mr. Minister, is there anything that can be done to offset this type of movement?

Hon. Mr. Bennett: First of all, if we assess the problem honestly and fairly, we will find some Ontario companies, I won't say southern Ontario, because I think there are some in eastern Ontario and so on, have established branch plant operations in the United States. But they have not moved their entire production system south of the border.

They have gone there for several reasons. One is because of labour rates. Another is because of tax advantages they are given. Some leave because of tariff advantages they overcome. Some leave because sourcing can be made to have their products made in the United States for an American company.

We've been aware of the fact that there are some of them and we've dealt with some of them. Mr. Radford's division and Mr. Garland's division have dealt with them. Their cost of operations south of the border in some cases, but not in all of them, is less than it is in Ontario. They can run down some of the advantages. If we're going to become competitive with that situation, what we've got to start doing is forget about municipal taxes in some cases, writing off other taxes in other cases and offering them incentives in electric power supply. We go on and on and on.

I make it very clear when talking to business people that we welcome industrial

development in this province, provided they're going to be contributors to the system and not takers of the system singularly. If I have to bring them in here on a tax-free system, that means to say that you and I as residents of the community in which the industry is located have to pay a higher real estate tax or property tax to compensate for what that industry is not paying while still receiving certain services from the community. Somebody has to subsidize the overall program.

Most businesses are fairly respectful of the fact that if they are going in to a community, they had better be a good corporate citizen if they are going to survive. It's going to be their employees who are going to pay the higher tax level. It comes down to another thing. Some of the wage factors are to their advantage in the United States as compared to here. The minimum wage laws are less. The social benefits are less. That just may be the thing that tips the scale for them in moving out.

Mr. Makarchuk: They can get hit on the head more often down there too. That should be taken into account as well.

Hon. Mr. Bennett: I will say this much in fairness, that some of them have taken that into account and haven't moved. In their initial analysis, they thought it was pretty good. But they've come and met with Mr. Radford and his division, and they have said to them, "Have you thought of this, this and this?" There are things about which they should keep their eyes open, that could change tomorrow, or situations that could develop. It's great to talk about not having certain environmental requirements in the United States today. I have no fear in saying that, while we lead the system in environmental improvements, others are going to have to come along with them, whether they like it or not, because standards are going to be demanded by the public of their communities and by governments in state legislatures and through national policy in the United States.

That being the case, they might be out of the mill or out of the dilemma today, but tomorrow they might be headlong into it, after they have made that initial investment and have no way of backing away from it. They may find out they would have been just as far ahead to remain where their manufacturing is. Mr. Radford's people do a very complete job in giving them this background. Even with that, some of them will move because it's a short-lived situation they are trying to cope with.

I saw the interview on television by the same fellow from Niagara Falls, New York. He was very general. He was worse than politicians in his generalities, let me tell you. I couldn't follow what he was really trying to get at. He said there was some money moving into the United States, but he didn't say whether it was from the private sector, whether it was private deposits, or whether it was corporate deposits or what it happened to be. He was very evasive in saying there were new accounts opening in his bank and so on. I hope we never get into a position in Canada where we freeze the free flow of money, because that really will stifle some of the investment opportunities going in a two-way direction to this country and out of this country.

If you have companies you know are thinking of moving into the United States or other locations—not necessarily the United States—Mr. Radford's people will sit down with them. Though we're not the greatest experts in the world, we have a fair amount of information relating to a number of communities in the United States and referring to a number of markets in the world, where we can tell them of some of the pitfalls that one should be aware of before he makes that final decision.

In the final analysis, if they decide that in the long run it's to their benefit, there's no law that can say to them they can't go. I wish them well. I hope to encourage them to remain a good corporate citizen in the production system here and not to reduce the staff or the production line. That's really in the final analysis what I have to be most observant of.

I might just say, Mr. Kerrio, before we finish, that one of the things we're trying to do with them, even if they do move, is to make sure that some of the components continue to be supplied from the Canadian operation. In other words, they might go down and do a portion of the production system in the United States or wherever else, but what we're really trying to do is to have them become virtually a joint venture or a licensing arrangement within their own corporate structure.

[10:15]

Mr. Eakins: It must be similar to the Uniroyal high pile plant in Lindsay selling their technology to the Elmira plant of Borg. Are you aware of that?

Hon. Mr. Bennett: Same idea.

Mr. Eakins: We can't afford it. It should be automatic to make it in certain quantities so that those parts would go across the border.

Hon. Mr. Bennett: They've closed up the high pile plant.

Mr. Chairman: Okay, Mr. Grande.

Mr. Grande: Thank you, Mr. Chairman, I thought perhaps tonight I would not be able to get on. But thank you for speeding—

Mr. Kerrio: I'm sorry I didn't accommodate you.

Mr. Grande: —the procedure up, for cutting the minister and Mr. Kerrio, the member for Niagara Falls, from congratulating themselves on being free enterprisers.

Hon. Mr. Bennett: No, we're pleased.

Mr. Kerrio: Proud way to go. Proud way to go.

Mr. Grande: Except that one of the points that you perhaps don't want to look at is that you still want to live in the mythical world that was created in the eighteenth century but is no longer here. We've had a mixed economy now for 100 years in this country and throughout the world. But anyway, if you want to live with your illusions, go right ahead.

Mr. Kerrio: It's not mixed in Britain any more.

Hon. Mr. Bennett: No, but a second philosophy from the NDP in two days or three days is not bad. Go ahead.

Mr. Grande: When you talk about free enterprise, you're talking about a philosophy, your philosophy.

Hon. Mr. Bennett: A reality too.

Mr. Grande: Well, it changes.

Hon. Mr. Bennett: The voters may accede for a short period of time but they come back to their senses again.

Mr. Riddell: Manitoba and Saskatchewan will do that.

Hon. Mr. Bennett: Well, Manitoba has already. Manitoba has already come back to the fold.

Mr. Riddell: That's what I say. Manitoba came back and Saskatchewan will be next.

Mr. Grande: Mr. Chairman, as soon as you've fed the sensitivities of the Liberals and the Tories here, they get their backs up, but they don't allow anybody to speak.

Hon. Mr. Bennett: I don't mind that. I'm humoured by your remark.

Mr. Grande: I would like to spend the few minutes allotted to talk about the guaranteed loan program for Canadian book publishers.

Hon. Mr. Bennett: I would suggest that you might want to deal with that under

the Development Corporation since that is vote 2207.

Mr. Grande: Since the book publishing industry considers itself as small business, I thought perhaps this would be the appropriate time to introduce it. Let me continue with this if—

Hon. Mr. Bennett: Go ahead.

Mr. Grande: I would like to find out, where is the Ontario guaranteed loan program sitting right now? What is happening to it? I understand that for the past 18 months you have been reviewing it. In 1975 that particular program was frozen.

Hon. Mr. Bennett: Mr. Chairman, if we are going to get into that, I suggest we put it off to the development corporation vote because that is specifically a development corporation problem. Mr. Joyce and Mr. Rogers will be here then.

Mr. Chairman: They're not here right now.

Hon. Mr. Bennett: They're here but they're not present, sir, because it's not their vote.

Mr. Chairman: We're under 2205. We're trying to get through all the business of the development program.

Hon. Mr. Bennett: All the relationships between NODC, ODC, EODC and a little thing known as Culture and Recreation.

Mr. Grande: I don't know about all these relationships. All I'm interested in is—

Hon. Mr. Bennett: You should, by doing a little reading.

Mr. Grande: —where the Canadian book publishing industry sits in relation to that program.

Hon. Mr. Bennett: We'll be delighted to deal with that when we come to the ODC, if you don't mind, because those two experts will be with you.

Mr. Grande: So, Mr. Chairman, you rule that I'm out of order right now?

Mr. Chairman: That is correct. We're currently under 2205.

Mr. Grande: Let's talk a little bit more about free enterprise.

Mr. Chairman: Well, I don't know whether that's going to solve our problem here. I do want to get through these votes.

Mr. Grande: Thank you, Mr. Chairman.

Hon. Mr. Bennett: I agree with you. That's the one thing I agree with you on. That's the only thing we're likely to agree on. Put that down.

Mr. Wildman: Well, you're improving.

Mr. Ziemba: You should not be so dogmatic.

Mr. Chairman: Have you any further comments, Mr. Grande?

Mr. Grande: That's the only point I wanted to make.

Mr. Chairman: We'll be discussing that on Wednesday, Wednesday morning at 10. If you can come to the estimates at that time, we can discuss it then.

Mr. Grande: I shall be here, Mr. Chairman.

Mr. McKessock: Mr. Chairman, I was very interested in your mentioning the 3,000 to 4,000 listed items that are waiting for somebody to call on you. What percentage of these items is being produced now and what percentage of them is new products?

Mr. Radford: What percentages are being produced in Canada or Ontario?

Mr. McKessock: Right. Or in Canada.

Mr. Radford: Let's go back and I'll tell you how we get it. We have offices around the world, and we have seminars and we bring these people in, and we go on a BOM similar to the one the minister went to in Japan, and we bring industrialists in, and we say to them, "We will find a licenser in Canada for you, if you will give us the opportunity of having that product that is now made in Japan . . ." made in Germany, made in Italy, made in Greece or made across the whole United States.

Mr. McKessock: Or some made in Canada.

Mr. Radford: No. I don't remember any being made in Canada in the sense that they may have come from Quebec to Ontario.

Mr. McKessock: No, but what I mean is, of some of those products that you have listed, some of those 4,000 products are Canadian people looking for somebody to make them as well, or are they all foreign products?

Mr. Radford: We have some Canadians in that line who are looking for somebody to make the products—mostly in new developments and people, inventors and that type of thing. You can get a company that will have a product that is subsidiary to its needs. It comes across an investigation, and they no longer want to make the product because it's maybe five per cent or two per cent or three per cent of their overall business. But it is a viable product to make, so they want to have it made in Canada some place. They will give us those; not very many though.

But don't get me wrong, I wouldn't want to give the impression that these products

aren't maybe in competition with something that is being made here now. They are now at the present time coming in as an import and the aim of the government is to replace imports so we get the Canadian labour and content in wherever possible. Again they can send certain components in here and then even if we assemble them, we get that assembly labour. Usually assembly time represents 40 to 50 per cent of the cost of that product. Do you follow what I mean?

Mr. McKessock: Yes, thank you. I want to change to another area for a minute. As you know, a lot of the small business in my area is resort business and a problem I mentioned the other day in the House, maybe you recall, was the resort dining-room liquor licence. When this licence is obtained, the resort is compelled to shut down completely for two months.

Hon. Mr. Bennett: That doesn't fall into my ministry at all.

Mr. McKessock: I know it doesn't, except that resorts do.

Hon. Mr. Bennett: Yes, but that licensing doesn't; it falls under the Liquor Control Board.

Mr. McKessock: I would just like to cite you an example.

Mr. Wildman: Mr. Chairman, you wouldn't let the member for Oakwood wander.

Mr. Chairman: You wandered; you did your share.

Mr. McKessock: If you give me a moment, I'll finish off by 10:30.

Mr. Kerrio: The minister is putting small business out of business.

Mr. McKessock: That's right. It's putting small business out of business. I want to present this to the minister and get his comments on it.

Hon. Mr. Bennett: You should present that to the Minister of Consumer and Commercial Relations (Mr. Grossman).

Mr. McKessock: I already have, but you, being interested in the resort business, should help in this area as well by presenting your comments to the Minister of Consumer and Commercial Relations.

Mr. Kerrio: I think he came right back.

Mr. McKessock: For example, there is one resort in my area that has been running a restaurant for five years, an attached motel for two years, and this year they obtained the dining-room licence. Now they are told they must close down the whole operation for two complete months. I have nothing against them

having to close down the liquor part for two months. That would be fine.

Mr. Wildman: Why should they have to do that?

Mr. McKessock: Because the Act says so.

Mr. Wildman: Yes, but why?

Mr. McKessock: I was talking to Mr. Rice, the chairman of the Liquor Licence Board of Ontario, and he stipulated that it came under the Act. It says: "The Lieutenant Governor in Council may make regulations, prescribing classes of licences and permits and the terms and conditions to which each class is subject," which covers a heck of a lot of ground.

The main problem, though, is when you get down to the definition of a resort. This will be interesting to you as the Minister of Industry and Tourism, because the definition of a resort under these regulations states, "A resort means an establishment operating on a seasonal basis for not more than 10 months in any year where the primary purpose is the provision of facilities used by the public for recreation and where in consideration of payment, food and lodging are furnished to the public."

I think there's where the problem is. Now that we try to encourage resorts to stay open year round, and a lot of them are, this definition of a resort no longer applies. You, being interested in the tourist industry, and myself should contact the Ministry of Consumer and Commercial Relations.

Hon. Mr. Bennett: But the fact is, what did he apply for? That's really what counts. It's not what he was issued. What did he apply for?

Mr. McKessock: He applied for a resort licence.

Hon. Mr. Bennett: That's what he applied for, you see, and he knew the terms of reference. If he wants to have it changed, I imagine that can be accommodated as well.

Mr. McKessock: No.

Hon. Mr. Bennett: Well, I wouldn't say no just out-of-hand.

Mr. McKessock: It's the only licence he can obtain in a dry area.

Mr. Wildman: In that case, why aren't you asking for a vote to make it into a wet area?

Mr. McKessock: They do have a vote every three years.

Mr. Makarchuk: Or better still, bootleg. There's more money in it. That's the private enterprise system.

Mr. McKessock: I want you, Mr. Minister, to answer this question. Do you feel that is a fair definition of a resort?

Hon. Mr. Bennett: Let me put it this way, Mr. Chairman, I don't intend to get into answering the question because I'd want to get the background of it.

Mr. McKessock: But all I'm asking—

Hon. Mr. Bennett: Just hold on a minute. If it happens to be in a dry area, I'd want to know what the rules and regulations of the dry area happen to be.

Mr. McKessock: All right. I can tell you simply.

Hon. Mr. Bennett: You admit to me you wouldn't expect the Liquor Licence Board of Ontario to override the dry area and issue him a licence.

Mr. McKessock: No way.

Hon. Mr. Bennett: That's what I'm asking. But the reality is, he can't operate 12 months of the year.

Mr. McKessock: To close down the liquor part for two months is fine. I am saying he should not have to close down the restaurant and motel he's been running for five years.

Hon. Mr. Bennett: Mr. Chairman, I would not want to get involved in answering this specific question because I don't know what he agreed to when he applied for the licence and what other conditions he was willing to accept at the time he was granted the licence. So it would be foolish for me to try to judge a situation where the applicant himself likely, knowing something from the ones that come into my area, agreed to it.

Mr. McKessock: Would you agree this resort definition—saying a resort is something that operates 10 months a year—is wrong?

Hon. Mr. Bennett: Again, I'm not going to get involved in whether the resort operates 10 months of the year.

Mr. Makarchuk: We're moving to four seasons resort operations in Ontario and you've got to look at it.

Mr. McKessock: This is what I'm saying.

Hon. Mr. Bennett: But you must know, first of all, Mr. Chairman, why the definition was put in as a resort licensing. There must have been a reason and I don't know the reason.

Mr. McKessock: It was put in because it says this is what a resort is.

Hon. Mr. Bennett: I said, Mr. McKessock, if you would listen, there must have been a reason.

Some hon. members: Oh.

Hon. Mr. Bennett: Yes, I'm being very specific, because I've already gone through it. There must have been a reason for that definition at the time.

Mr. McKessock: Yes, because that's what a resort was at the time. It only ran for 10 months. Now they run for 12 months.

An hon. member: In a dry area.

Hon. Mr. Bennett: Yes, in a dry area. You know, the complications are not so simple. You give us the name, sir, without getting into any names here tonight and somebody will look into it and find out what the situation happens to be. Let's not try to catch the board being the evil sinner trying to wreck small businessmen, because I find out in cases in my constituency and in eastern Ontario, most times somebody agreed to this with the Liquor Licence Board.

Mr. Riddell: You have to agree we have very antiquated liquor laws.

Hon. Mr. Bennett: You're talking about inadequate liquor laws. Let's hear what you say on Thursday.

Mr. McKessock: I'm not saying anything about the inadequate liquor laws. I'm saying they should not have to close down. They can close down their liquor part. I agree with that; they can close it down for two months. But to close down the restaurant and motel is wrong.

Hon. Mr. Bennett: Wouldn't you like to be the inspector who's trying to figure out what two months of the year they're going to close down?

Mr. McKessock: That's up to the resort owner.

Mr. Makarchuk: Every 13th and 14th.

Mr. McKessock: He can close down whichever two months he likes.

Mr. Chairman: Okay, gentlemen, time to adjourn. Mr. McKessock, do you want to continue on Wednesday morning at 10 o'clock?

Mr. McKessock: No, that's just fine.

Mr. Chairman: Mr. Makarchuk, do you want to come back on Wednesday morning? [10:30]

Mr. McKessock: I think maybe you could turn over your small business consulting firm to the regulators of this Act and maybe you might help them out.

Hon. Mr. Bennett: If Mr. McKessock will give us the name, we'll be pleased to have somebody look into it.

Mr. McKessock: Except that this happens all over Ontario.

Hon. Mr. Bennett: No, it doesn't. I think our ministry is very responsive to the needs of the resort industries, whom we've worked with very closely. I do not recall, sir, any

other than the one you're speaking of right now. I met with the Ontario Hotel and Motel Association, the resort industry, today in Sault Ste. Marie.

Mr. McKessock: This doesn't apply just to one resort, it's in the Act. What I'm complaining about is the definition of resort; that's what I'm concerned about.

Mr. Chairman: The only problem we've got here now is Mr. Makarchuk is not sure whether he'll be here on Wednesday or not. He may show up Wednesday morning at 10 o'clock, and he may not, so I think we'd better hold his vote until Wednesday morning.

Hon. Mr. Bennett: So you're the trouble-maker tonight.

Mr. Eakins: Mr. Chairman, could I ask the time left?

Mr. Chairman: Two hours and two minutes, or something like that.

Mr. Wildman: Could we make a commitment, Mr. Chairman, that we would allot only a certain amount of time on Wednesday to this vote so that we could get it finished and go on to the other votes that are left?

Hon. Mr. Bennett: Your choice is my choice.

Mr. Chairman: That's up to the decision of the committee. Depending on the number of speakers we have ahead of us here.

Mr. Eakins: As far as I'm concerned, I'm willing to move on.

Hon. Mr. Bennett: When you're finished with this you know you have half of the time left for Ontario Place and half for ODC. That's up to you.

Mr. Chairman: Do you want to carry vote 2205?

Mr. Wildman: I have a question I need the answer for. It's a very short one, Mr. Chairman. I want to know how much money was spent on PEPPI and OPAIT.

Hon. Mr. Bennett: We should get that figure. Do you know what they mean?

Mr. McKessock: Yes, I do.

While he's looking up that information, I just want to say too, on these resorts and all other small business, we have too many regulations. I would certainly like to see some of them cut out.

Hon. Mr. Bennett: Mr. McKessock, you heard what I said about the advisory committees to small business. The advisory committees are going to do exactly that—try to recommend the areas where we can eliminate the interference, if you wish to use that word, in the small private sector by the

bureaucracy of government, federally, provincially and municipally.

Mr. McKessock: I'd appreciate that.

Hon. Mr. Bennett: You give us the name of the outfit and we'll be glad to research the facts behind it.

Mr. Grande: He gets along with you but not with others.

Hon. Mr. Bennett: I can get along with the world, I get along with everybody. I get along with even my socialist friends. It keeps me in balance.

Mr. Wildman: We've had a very good exchange.

Hon. Mr. Bennett: Certainly we have.

Mr. Kerrio: There are only so many places you can go to be a socialist without remaking our society.

Hon. Mr. Bennett: They're there, without being in Ontario.

Mr. Chairman: I must advise the members of the committee that we can't carry 2205 because we don't have any members of the committee here, so we'll have to leave it until Wednesday morning.

Mr. Radford: On PEPPI we spent \$104,000 in 1977-78 and \$47,000 in 1976-77. On OPAIT we spent \$88,000 in 1977-78 and

\$139,000 in 1976-77. On the PEP program we spent \$113,000 in 1977-78, and in 1976-77, \$70,000. On the PDDP program, \$100,000 in 1977-78, and in 1976-77, \$92,000.

Mr. Wildman: Is there any reason for the drop in PEPPI?

Mr. Radford: Basically, on the applications and the amount of training that goes into it. We get a run on them for a while and then it sort of slackens off.

Mr. Wildman: Would an application for new technology to bring television into northern Ontario communities that are isolated, be eligible under PEPPI or OPAIT?

Mr. Radford: That application we considered thoroughly, not once, but three times, and it was turned down. It just wasn't practical.

Mr. Wildman: Would it be possible for you to give me some information on Wednesday as to the reasons why that was turned down?

Mr. Radford: We will give you the reasons for that. That was one the Ombudsman investigated.

Mr. Chairman: Thank you very much, gentlemen.

The committee adjourned at 10:30 p.m.

CONTENTS

Monday, November 7, 1977

Small Business Development Program	R-689
Recess	R-718

SPEAKERS IN THIS ISSUE

Bennett, Hon. C.; Minister of Industry and Tourism (Ottawa South PC)
 Bounsall, E. J. (Windsor-Sandwich NDP)
 Eakins, J. (Victoria-Haliburton L)
 Grande, A. (Oakwood NDP)
 Javrot, E.; Chairman (Timiskaming PC)
 Terrio, V. (Niagara Falls L)
 Makarchuk, M. (Brantford NDP)
 McKessock, R. (Grey L)
 O'Neil, H. (Quinte L)
 Tiddell, J. (Huron-Middlesex L)
 Wildman, B. (Algoma NDP)
 Tiemba, E. (High Park-Swansea NDP)
Ministry of Industry and Tourism official taking part:
 Radford, N. R., Executive Director, Small Business Operations Division



No. R-27

Legislature of Ontario Debates

Official Report (Hansard) Daily Edition

Resources Development Committee

Estimates, Ministry of Industry and Tourism



First Session, 31st Parliament

Wednesday, November 9, 1977

Speaker: Honourable John E. Stokes

Clerk: Roderick Lewis, Q.C.

CONTENTS

A list of the speakers taking part in the debates in this issue of Hansard appears, in alphabetical order, at the back of this issue.

Daily contents of proceedings also appears at the back of this issue. Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff. Phone 965-2159.

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LEGISLATURE OF ONTARIO

WEDNESDAY, NOVEMBER 9, 1977

The committee met at 10:10 a.m.

ESTIMATES, MINISTRY OF INDUSTRY AND TOURISM (concluded)

On vote 2205, small business development program:

Mr. Chairman: Do you want to go ahead, Mr. Wildman, with winding it up?

Mr. Wildman: Yes, I asked a question regarding a proposal for providing television to isolated northern communities, whether that would fit under either the PEPI or the OPAIT program? I understand that one David Brough, applied for \$5,000 for assistance under PEPI to provide television. He has a suggestion for scrambling certain channels, providing two entertainment channels with the scrambler, and then other channels would be available for ETV and CBC and so on, using video tape equipment and so on.

I understand the CRTC does not really approve of what he's doing, largely because he is not using the kind of equipment that would normally be commercial-type equipment, he is using much less expensive equipment than that. I understand he is operating now in Ignace.

The department of communications does not like the quality of equipment he's using, but I understand it is operating and operating well on a 24-hour-a-day basis in Ignace. He has proposals for going into other areas as well. What's the feeling of the ministry on his proposals?

Hon. Mr. Bennett: Well in the case of Mr. Brough's operation, which is northern access network, the applicant applied for assistance under the PEPI program in June of 1976. The project was known as Snow Goose Broadcasting Systems, a proposal to develop a low cost broadcasting system for use in remote and rural areas. Investigation of the project showed that equipment to do the work is already commercially available, albeit at a higher cost. The same project had been previously underwritten by the federal government and abandoned when it was determined by them not to be economically viable. The project was declined because it wasn't

new and therefore not an invention, nor did it meet other project criteria.

The applicant took exception to the refusal and filed a complaint with the Ombudsman. The matter was fully investigated and a copy of the Ombudsman's report supporting the ministry's action is on file with us.

Northern access network then applied for assistance under OPAIT program in June, 1977. The project was called Snow Goose Subscription TV System, slightly different in name. A proposal was submitted to design, assemble and test a prototype of a subscription television device to provide TV services to rural and remote areas. Conversations with the DOC and CRTC ascertained that the project appeared to be within those agencies' present definition of paid TV. It has also become evident that no decision is to be made for several years on the legality of this system, because CRTC could not approve it until the whole paid TV question had been resolved. His concept therefore could not legally be used in Canada within the perceivable future, if ever.

Further, encoding and decoding systems for radio and television systems have already been developed by others and are available, but their use is not permitted in Canada by the federal government. Therefore the project was declined, since it did not meet the criteria of our programs.

Mr. Wildman: I understand, basically, your position was that the equipment was available—in one case the equipment was available already—so therefore it wasn't a new invention, and also the problem of legality in regard to the CRTC was the other main reason for the decision. Why was it necessary to remove Mr. Brough physically from the office?

[10:15]

Mr. York: We had 28 meetings, they are all recorded. The gentleman made appearances in our office on numerous occasions. We have details of his visits. He became persistent to the point where he became redundant as well, after 28 meetings on different occasions stretching over several months. I think he was asked to remove himself by our people; he refused to do so. We had to ask

one of the security guards to make him leave.

As a matter of fact, he came in one day armed with a baseball bat and threatened to do damage.

Hon. Mr. Bennett: That was the Blue Jays' opening day.

Mr. Eakins: Quite a forceful salesman, obviously.

Mr. York: I think we went overboard in accommodating him.

Mr. Radford: Actually, he is operating at the present time in contravention of the CRTC. Some of the people up there like him and some don't. It could be a very awkward confrontation for both the federal government and for our government, and for the Ministry of Transportation and the Communications side, to go in and do something about it. Discretion is what is stopping everybody from stopping him.

Mr. Wildman: I understand the member for Lake Nipigon (Mr. Stokes) has had a great deal of communication on it and he understands it is discretion more than anything else.

Hon. Mr. Bennett: You know, Mr. Wildman, we'll likely cover in the ODC vote some of the loans we have made to try to expand the radio networks throughout the north country.

Mr. Wildman: I have nothing further, Mr. Chairman.

Vote 2205 agreed to.

On vote 2206, Ontario Place Corporation program:

Hon. Mr. Bennett: May I introduce Mr. John Maxwell who is the director general of Ontario Place.

Mr. Eakins: I just have a couple of questions, Mr. Minister, because our time is short and I would like to get into the final section. Ontario Place is not a very important item, there are just a couple of questions.

First of all, what has happened to the money we lost?

Hon. Mr. Bennett: Mr. Chairman, before the question is asked, let me say that anything relating to that particular section of the estimates cannot be under discussion because the case is still before the courts, so we are not privy to discuss it in a public forum.

Mr. Eakins: Not even whether you have been able to recover any of the money?

Hon. Mr. Bennett: Well that's a court case. It's a matter now of what the courts are able to determine. When does it come before the court?

Mr. Maxwell: Casey is November 14 and Purves is February 27.

Mr. Eakins: Have you changed any of your procedures or operations as a result of what happened there? Could you tell us about that?

Mr. Maxwell: All I can really say is yes, because if I discuss what has been changed, I am getting into evidence as far as the case goes.

Mr. Eakins: Have you changed your management in order to ensure it doesn't happen again?

Mr. Maxwell: That is correct, management has been changed.

Mr. Bolan: How much money is allegedly involved in this?

(Hon. Mr. Bennett: Mr. Bolan, without getting into that, I think the whole issue is something we should not mention. There have been enough press reports on it, some of them right and some of them wrong.

It is not that we wish to avoid it, and I have said this in the House on two or three occasions, it is a matter that when the government is involved in a case that is as ticklish as this one appears to be getting, we should stay away from it. Things have changed from day to day, people's original pleas have changed since 18 months ago, or whenever it happened. Rather than get into any of it I think our best advice is that we stay completely away from it.

I can say we have taken corrective action.

Mr. Eakins: So when it is completed and the court case is finished you will probably have something to say about it.

Hon. Mr. Bennett: You will have a detailed report.

Mr. Eakins: Other than that, this appears to be the best year to date as far as Ontario Place is concerned. The highest number of visitors, and still there is a deficit of almost \$2 million. Do you see this as a paying proposition at some stage or is it still going to be subsidized?

Hon. Mr. Bennett: I suppose a great deal of that depends on the economics of the day and whether we continue to raise our admission fees and other service fees that we have at the grounds, and whether we will get a bigger percentage on our concession operations. I would be optimistic in saying as time moves along we can see ourselves getting into a break-even position. We will have some recommendations going before my colleagues in cabinet in a relatively short period of time recommending some likely changes in fees for next year. Whether cabinet will buy them or not is something we'll have to wait and see.

We think there could be some very legitimate reasons for increases in certain areas of fees or admission charges to the grounds.

Mr. Eakins: Hasn't the public accounts committee made some recommendations as to the structure of Ontario Place?

Hon. Mr. Bennett: Not of recent days. To the best of my knowledge, Ontario Place was not examined; Minaki was under severe chastisement from the public accounts committee.

Mr. Eakins: It just seemed to me that one of the committees made a recommendation as to something about changes in the structuring and the operation of it; I could be wrong.

Hon. Mr. Bennett: Not to the best of my knowledge. I think Ontario Place, over its period of existence has gone through some changes as a result of certain remarks by the public accounts committee and by the general public. The changes have been good and I think there are other changes that are necessary to make Ontario Place continue to be in the forefront as a tourist attraction in this part of the province of Ontario.

I would not want to mislead the committee by saying we'll balance the budget for Ontario Place in the next year or two but that may come over a period of time, as long as you don't consider capital cost into the operation. If we have to take on capital cost and depreciate it, and do the other things we would under normal business circumstances, then we would find ourselves for many years in a deficit position. I should think capital costs of government should be written off immediately and the project be looked at for its services to the community, both from a tourist point of view and a business point of view.

Mr. Eakins: How many people are employed there?

Mr. Maxwell: There are 57 on a 12-month basis and an additional 400 summer students, for a total complement of 457 during the season. In addition, approximately another 450 are employed by our concessionaires.

Mr. Eakins: What do you do when it's closed in the off-season?

Mr. Maxwell: We do such chores as repair all the things the public destroyed in the summer.

Mr. Eakins: Does that amount to very much in dollars?

Mr. Maxwell: There are certain maintenance items. In addition to that we have a very short construction season of roughly six

weeks in the fall and six weeks in the spring; for example, we're replacing our main bridge at the present time. That will be completed before the snow flies.

Hon. Mr. Bennett: I might say, Mr. Maxwell, maybe you'd like to broaden your answer a little bit as to what other activities take place at Ontario Place during what would be considered the off-season. We have in the past, I think, had weekend theatre and restaurant facilities.

Mr. Eakins: The Ombudsman's centre.

Mr. Maxwell: The restaurant facilities in Pod I are employed throughout the year for various sales meetings and functions, Christmas parties and class dances; that facility is used throughout the year. The theatres are rented. Cinesphere, for example with the exception of the month of January when it's time for maintenance, is used throughout the year.

Mr. Eakins: Do you have any further plans you're developing for the coming season or any new approaches?

Mr. Maxwell: We will submit the plans for next year to the minister within the next week or so. We think there are some new approaches that will increase our audience and make the place an even better tourist attraction.

Mr. Eakins: Just one quick question; I enjoyed very much the film, "The Man Who Skied Down Everest." What happened to the film? Is it available to the people in the province?

Hon. Mr. Bennett: It's a commercial film, made by Crawley Films Limited of Ottawa.

Mr. Eakins: It's just an excellent film.

Hon. Mr. Bennett: It is a tremendous film and it is in circulation in world markets at the moment. The reason we gave it a screening at Ontario Place at the time we did, you will recall, was because it was made by a Canadian and had won an Academy Award, one of the few we have taken in Canada. We thought it was worthy of that type of recognition for a Canadian producer, particularly since we put money into the film industry.

But there are other additions. Mr. Maxwell might want to speak on some of the improvements, extensions and expansions of the grounds. I don't mean the physical expansion but the new things we like to bring in, such as the west island development.

Maybe you would like to give Mr. Eakins just a bit of background on some of the things we are projecting.

Mr. Maxwell: This year we built a band-

shell at the west island to increase activities in that area. This is an area where there is park land. Last year we had a helicopter attraction there, which we removed this year because it was annoying people. We put in a bandshell designed to present amateur talent, new talent, in a very pleasant setting.

We extended Children's Village for the small kiddies. We added about one third to the Forum seating capacity by adding another two rows under the roof. We changed the restaurant facility which was the Island Ports to the Trillium restaurant; that was very successful, we have been able to increase business by some 40 per cent.

We are always increasing washrooms, which seem to be our biggest problem. We get more mail on washrooms than on anything else, so we added some more washrooms last year and we will have to add some next year.

We have provided more facilities for the amateur bands that come in from across the province to play at Ontario Place. All told there have been a number of site improvements that have helped us increase attendance.

Hon. Mr. Bennett: And your total attendance this year was?

Mr. Maxwell: It was 3,077,000, which is 10 per cent above last year and up five per cent over 1975 which was the previous record year.

Mr. Eakins: Those are all the questions I have on Ontario Place.

Mr. Lane: Mr. Chairman, Mr. Eakins' questions to the minister and the minister's replies were basically what I was going to talk about. I am satisfied with the answers and with the type of questioning Mr. Eakins provided.

I would just like to say that over the years, it has been suggested Ontario Place was a permanent white elephant we had somehow got in place with the taxpayers' dollars and there wasn't any hope of ever justifying it. I think if it ever came to the point where it was a break-even operation, forgetting about the capital expenditure, profits at that time would be tremendous because of the fact that there is no way of measuring the number of extra nights purchased at hotels, the number of extra meals purchased at restaurants, the extra thousands of dollars spent in stores and so forth because people are staying around the area for another day or so to visit Ontario Place.

I think if it ever came to the point, Mr. Minister, where we were showing black on

the audit, we would really be making a tremendous amount of money on Ontario Place.

Hon. Mr. Bennett: We would be embarrassed.

Mr. Lane: I just wanted to throw that in. Other than that, Mr. Eakins' questions were what I was going to ask.

Hon. Mr. Bennett: Mr. Lane, let me say I appreciate those comments, because I think there have been great strides made at Ontario Place over the last two or three years.

I recall the first year or two I was minister for this portfolio and had Ontario Place it was nothing but hell on earth every day during the season; if somebody didn't get his boat into the dock at the right time or something else, there was absolute disgust registered by a number of people. The press was no great help in the issue, reporters used to find it easy to knock Ontario Place. I think it has now obviously gained a very important place in the tourist attraction field in Ontario and in Canada. It is being used more and more by national and international companies as part of their advertising program, for the backdrop of their advertising programs. [10:30]

I think the day will come when, on a current basis, it will be self-sufficient and that it will serve more than 3,000,000 people. Although I think we have to be realistic, if you get far beyond 3,000,000 the crowds start to become a difficult situation and people really won't enjoy themselves when they're participating at Ontario Place.

I say to Mr. Maxwell and his staff I think the progress we made in the last year or two has been remarkable. I hope we have a 10 per cent increase next year, the weather being satisfactory and all things being right. We might even wind up in an embarrassing position by breaking even, or making money. Mr. Maxwell, I say to you and your staff a very sincere thank you. When the final analysis comes in I think the operating grant that's here will be somewhat less than what we're looking at at the moment, which is a pleasant situation.

Mr. Bolan: I just have one or two questions. This is going back in history, what was the original capital cost with respect to the development of Ontario Place?

Hon. Mr. Bennett: The original capital cost, I think, was around \$18 million. Then we added this and we added that, we put in some bridges and some overpasses; and then there were operating costs, deficit factors in the operation; if we took a full capitalized cost including net operating losses over the five, six or seven years we've been there it comes to about \$32 million altogether at this point.

Mr. Bolan: Is there a separate account set up to deal with the capital investment and the capital cost of that particular operation?

Hon. Mr. Bennett: Yes, there's an annual report which comes out, which I tabled in the House just about two or three weeks ago.

Mr. Bolan: Where are we with respect to that capital account? In other words, I take it that capital debt is being paid off; or was it a direct transfer of funds to this corporation?

Hon. Mr. Bennett: It's typical of all capital investments made by government, it stays in the books and it's an original capital investment.

Mr. Bolan: I see.

Hon. Mr. Bennett: The only thing that's added is any operating loss that accrues. If we look at things in a fair and frank way, we don't carry a piece of the 401 on the books in a capitalized cost which is virtually written off in the course of a year or so. I think a great number of the assets of this nature have no true reason for being retained as a capital investment. If you carry it forward as a loan, if you wish to, against Ontario Place—which it was for a while, this is ridiculous as well.

Does everybody realize—the members of this House on all sides—that it would never be self-sustaining as far as capital investment is concerned? If it had to be, Mr. Bolan, then it would mean the government would never get involved in any major attractions in the province, because it's only governments that can afford to get into them.

Some day the auditor, along with the Treasurer of this ministry, may find a way of eliminating capital cost; not that we should forget about it, when you want to show it as an asset fine, but to show it as a capital—

Mr. Eakins: Total capital outlay to date then has been something in the order of what?

Hon. Mr. Bennett: About \$32 million; that includes everything, all of our loss packages over the year and all our capital investment on cost.

Mr. Eakins: The initial capital outlay, was it \$29 million?

Hon. Mr. Bennett: About \$18 million from the first year, and it was \$7 million into the next year in the spanning the island program. More was put into it each year thereafter in capital projects in the Forum, in building bridges and whatever other additions we have undertaken in that period.

Mr. Bolan: Okay, thank you, Mr. Chairman.

Vote 2206 agreed to.

On vote 2207, industrial incentives and development program:

Mr. McKessock: Mr. Minister, I'd like to say I've had very good results working with ODC and have been quite pleased with the co-operation I've received, but I'm from Grey riding. The nearest office is Toronto or Barrie, I believe, for the people in my riding, although there is an office of Industry and Tourism in Owen Sound. I feel it would be a great advantage to our people if this office in Owen Sound could handle some Ontario Development Corporation applications, maybe up to a maximum of \$30,000 to \$50,000. The way it stands right now, all applications have to be processed in Toronto and it's quite a distance away from the people in my riding.

I wonder if the ministry has ever thought of letting some applications, up to a certain dollar volume, be handled through the Owen Sound office?

Hon. Mr. Bennett: I don't want to be parochial about Owen Sound, let's look at the offices operated by the development corporations, whether it be northern, eastern or ODC.

There's certain permission given to the officers at the local level to make commitments on behalf of the corporation, providing those commitments do not involve any grant portion or give-away portion. In other words, a no-gift loan, for example, would have to get approval, because there's a deferral period on interest over a number of years. We do not think you can leave the decision of how long the give-away period should be to the individual at the local level. If that happens you're really going to get yourself into a position where the politician is going to be answerable on every occasion—as to why Harry got five years in Owen Sound and Mary only got two years in Kingston—I don't mean in the penitentiary, I mean in the forgiveness of the loan. We bring that portion of it back for a decision by the board. On the general small business development loans, where the standard rate of interest is determined at the beginning of each quarter, up to—Mr. Joyce, what is it now?

Mr. Joyce: Up to \$20,000; and the man-aging director up to \$50,000.

Hon. Mr. Bennett: That is without going to a board to be approved.

Mr. McKessock: This can be handled

through the local office in Owen Sound, so they can make application right there at the office?

Hon. Mr. Bennett: Up to \$20,000. It's an Ontario Development Corporation officer we're talking about now, not a tourism development or an industrial development officer.

Mr. McKessock: No, it's just an office of Industry and Tourism.

Hon. Mr. Bennett: No, no; an Ontario Development Corporation representative. We have three categories of people. We have a tourism development officer who serves the tourist industry; we have an industrial development officer who serves the industrial and secondary manufacturing sector; we have a development corporation officer—an ODC, NODC or EODC officer who is responsible for having applications completed for loans representing a given area.

Mr. McKessock: But in Owen Sound—

Hon. Mr. Bennett: We do not have development corporation representation there.

Mr. McKessock: That's right.

Hon. Mr. Bennett: That's correct; we don't have them in all 22 offices across the province for the simple reason of manpower. Somewhere along the line you've got to keep control on the number of people you have working in the field offices. If I could find one for every office and still keep within the allotment of personnel set out by the Treasurer (Mr. McKeough) that would be great, but I just don't have that many.

I might say in a very general way we've been doing some analysis on the compatibility, and I'm not sure what it is at the moment, of having a development officer of the ministry, period, whether it be a development corporation, or an industry and tourism officer handle all three phases. In other words, a given man could handle financing, tourism and industry.

Now I'm not saying it can happen, that's something we're looking at at the moment. It may not be one you can just throw into the hopper and say he can do all three jobs and do them efficiently and effectively for the community. We've been going through some training programs to upgrade some of the various officers to levels at which we can put them on a common grading system.

Mr. McKessock: This was my point, I felt they could handle the ODC as well as industry and tourism without adding another man.

Hon. Mr. Bennett: We are looking at it. There are certain responsibilities you know.

I can't take every man and expect him to be a financial wizard in his advice to the business community. That is one of the things that they are there for; they are financial consultants to the applicant, they are not just industrial officers or tourist officers. In this case they are specifically trying to help him with a financial difficulty that he is encountering.

Mr. McKessock: I noticed the other night when we were talking about the consulting service that it is supplied to the service industries as well as other industries. I think I mentioned this last year but I would like to mention it again. What consideration have you given to financing for service industries?

Hon. Mr. Bennett: Very little.

Mr. McKessock: I think it is a very important part of our job creation effort and could be well expanded. It is hard to get the service industry—

Hon. Mr. Bennett: Which portion of the service industry are you referring to?

Mr. McKessock: Furnace cleaning, appliance repairs.

Hon. Mr. Bennett: Mr. McKessock, wouldn't you agree those are essential services toward maintaining a home or life?

Mr. McKessock: That's right.

Hon. Mr. Bennett: They are the type of services that we, really, as a government, don't have to develop because there is a need and a necessity for them in every community. It is like the druggist, there is a need for a druggist in the community; there is a need for a hardware store, there is need for a barbershop. Are those the things I should be supporting financially in a community when the need is already there, if a second one comes along am I supposed to support him as well?

Mr. McKessock: All I am saying is the need is there; a lot of them come to me asking how they can get financing to start up. If they had the financing they could hire another man; there is a big opportunity, there is a demand but there aren't the people to do the work and they need a new truck, they need equipment.

Mr. Bolan: That's the problem.

Hon. Mr. Bennett: That might be the problem, but there is a little thing known as banks, and banks are also a service industry. Could you imagine, if we got into this thing and took it to the ridiculous situation you could have a bank come and say, "Look, we think there is need for a bank in Owen Sound or a given community, but we need somebody to underwrite us. We need somebody to

finance our operations in the initial days." I am sure not all bank branches in their initial days are money makers.

So you get into the problem of who is to decide who should get the help. If you have one hardware store and John Smith comes along and says, "I think there is a real potential for a second hardware based on the population and the average spending in hardware products in Canada. It is obvious there is a need because the first fellow is making too much money, but I need some financial support to put myself into that store and the ODC should do it for me." Say you operate the other hardware store, do you think your tax dollar should go to help John Smith establish a competitive business against you?

Mr. McKessock: Maybe your men in the area could determine—

Hon. Mr. Bennett: That is not what I am asking you. I am asking you a question: Do you think that money should go into the service sector, that area, to establish competition against you? You are a taxpayer.

Mr. Wildman: Free enterprise, Bob.

Hon. Mr. Bennett: That is what I am talking about.

Mr. McKessock: If there is a need in the area I think you should, because right now a lot of the service people are hard to find. Especially in our area I know there is a great demand for these service people and they aren't there; and the service people come to me and say: "I can't get started." It is an industry that is going to create jobs.

Hon. Mr. Bennett: Which ones?

Mr. McKessock: A variety, as I mentioned.

Hon. Mr. Bennett: I haven't found too many of them.

Mr. McKessock: Plumbing or appliance repair; or mechanics. Pretty well all the service industries.

Hon. Mr. Bennett: Mr. Chairman, without being abrasive, I'll just tell you frankly I think it is unrealistic to think government should get itself involved in that area of the economy. I think Mr. McKessock, by the time you get into it, after about one or two applications you would wish you were out of it, because you will have them running to you from every community in your constituency wanting to know who you are going to finance next.

Mr. McKessock: This doesn't involve a lot of dollars. I think probably up to \$20,000.

Hon. Mr. Bennett: We are not talking about dollars we are talking about a principle. That is what we have to establish first.

Mr. McKessock: The one reason I brought

it up again this year is because I noticed your consulting service was going towards service industries as well.

[10:45]

Hon. Mr. Bennett: We will be glad to offer them the advice, the guidance and the assistance of the ministry in trying to get established in a service industry, no doubt about it. We will give them whatever input we can in the way of what the potential volume of business might be, what we know of the economy of the community, and all the other aspects that could help them come to a determination of what they should do.

But that is the extent of our assistance, because we do not believe it's our business to get into financing them. It's a service industry. It's a demand required by the populace of that community, not a matter of creating a whole new technology or a whole new product line. It's a matter of expanding on services that are essential for the welfare of that community.

And I'll tell you, Mr. Wildman has better justification to say it than you do about the service industries. There are communities in his riding where there is a druggist, a barber shop, a grocery store, a dry cleaner and so on. They claim in getting started they just can't get the banks to finance them in some parts, because the cost of starting the wheels in some of those communities is far too great. We still refuse to get involved in the service sector because once you start it, mister, there is no telling where the end will be.

I would not only need the staff we presently have in the ministry, it would take an unbelievable number of people to try to service those loans.

Mr. McKessock: I thank you for that observation; and I'd appreciate it if you could have your people in Owen Sound take on the financial end of ODC. They would also get an insight into what is needed in the area, because at the present time they don't have connections with these people because they aren't doing any financing.

Hon. Mr. Bennett: If we got requests from Owen Sound today we'd have a man in Owen Sound tomorrow, that's been our policy. Whatever the community, if we do not have a man there we'll get a man into the community within a period of 24 to 48 hours, within a very short period of time, a time period acceptable to the applicant.

Mr. McKessock: You're talking about making an application for ODC?

Hon. Mr. Bennett: Yes.

Mr. McKessock: You would send a man to anybody.

Hon. Mr. Bennett: Yes; we have.

Mr. Wildman: I realize one of the aims of this branch and of the Ontario Development Corporation is to give incentives to business in development of industrial manufacturing operations, tourist outfitters and so on in slow growth areas of the province, and that's why we have EODC and NODC as special, separate divisions of the corporation; I'd just like to know how the minister reacts to the comment I quoted from the Bureau of Municipal Research in March, 1977, where they said, "The objective of decentralizing economic and population growth to the north and east is not being achieved. In northern Ontario, for example, the labour force tied to forestry and mining has been in relative decline. The population growth has been slower than the province's as a whole and income tends to be below the provincial average. It is fair to say the government has not yet made significant inroads into solving the problem of regional disparity."

I wonder whether or not the minister would accept that analysis; and if he does, what is he doing, or what are the corporations doing, to try to get things going and diversify the economic activity in the north and in the east? If we continue, certainly in northern Ontario, in a situation where our economy is based on resource extraction almost completely, every time we export resources and deplete resources we're also exporting jobs.

There's nothing new about what I'm saying; I think the government understands I'm just wondering what you're doing to try to bring about an increase in manufacturing opportunities in those areas.

Look at your review this year, the statement of loan approvals for 1975-76 and for the first part of 1976-77, that is to January 31, 1977; for ODC for instance. In 1976-77, there are over twice as many industrial mortgage loans approved than there are tourist loans—I'm looking at page 41 of the review—but when you look at NODC, the reverse is true. More than twice the number of loans are tourist loans as opposed to industrial mortgage loans. The differential in EODC is not quite as large, it's far closer. There are nine tourist loans approved as opposed to five industrial mortgage loans. In 1975-76, for EODC, however, there are double the number of tourist loans as opposed to industrial loans.

I understand that the tourist industry is important as a way of attracting dollars and improving our deficit in foreign exchange.

However, tourism is, as I've said before, a resource-based industry and if we are really going to improve employment opportunities and diversify the economy we have to be looking to secondary manufacturing. I'm just wondering what is being done to try and encourage further development in the industrial sector.

I realize that the minister has just recently announced the lowering of the interest rate on loans for small operations for NODC and EODC. I wonder if this is an approach in trying to encourage more industrial development. I'd like to hear the minister's comments on that before I continue.

Hon. Mr. Bennett: I'm not going to disagree with the Bureau of Research completely. The one on incomes, I'm not sure of. I'm not qualified to speak on that. You'll have to speak to federal statistics. I think it would be a fair statement to say that in respect to this government and in respect of governments across this country and, I suppose, you can pretty well go around the world, where governments have tried to diversify industries away from core centres the success ratio has not been that great, but it hasn't been from a lack of effort.

Mr. Eakins: Like London, England, is not successful.

Hon. Mr. Bennett: It's not successful.

Mr. Eakins: They were successful until the end of the war.

Hon. Mr. Bennett: John, there were certain times at the end of the war that conditions were slightly different from what they are today. London today still has her problem and some of the industries that she moved away at the time are now becoming defunct in some of those communities, even under a Labour government. The realigning of the steel industry in London, for example, is going to create a real havoc in that country.

Mr. Riddell: If anything becomes defunct it will be under a Labour government.

Hon. Mr. Bennett: No, no, Jack, that's not true.

Mr. Eakins: Look at the Tory record. The economy almost collapsed under them.

Hon. Mr. Bennett: Economically, Jack, it becomes defunct no matter who is operating the ship of state.

The fact remains, Mr. Chairman, we have tried to design programs, on which we have been complimented by people of various parties in this House for having brought them in, because we thought it was some initiative or something that we were doing to try to stimulate the activity of the industrialists to invest in a certain region of the province. I

don't say we have all the answers any more in Ontario than in the rest of Canada or the rest of the world. It's only a matter of trying a project, it works for a while, then obviously it takes something a little more to get the next step of the way.

I don't think, Mr. Wildman, you can sit and look at these ODC figures here and say: "This is a characteristic of the development program where it's more tourist than it is industry." Keep clearly in mind that our tourist loan program is more advantageous, or we're willing to accept tourist loans to a greater extent than the private sector is. The private sector is very reluctant to get into the tourist industry at all. So we find that a great number of the tourist loan applications will fall to the development corporations of the province while more and more industrial loans will be made through the private sector. We do get involved with some industrial loans and some small business loans. Just keep clearly in mind that you cannot always take the statistical position of this report to be a factual development of industry progression in the north because we're the lender of last resort.

Mr. Wildman: I understand that. I think what you are saying is partially correct. Obviously you get more tourist applications, probably for two reasons: One of them is perhaps it is more difficult for them to raise money on a private market, but also because your interest rate has been lower for the tourist loans than it has been for some of the other loans. That's probably why you are getting more tourist applications.

Hon. Mr. Bennett: That's not quite right either. The OBIP loan has a lot lower interest rate than the tourist loan. The Ontario Business Incentives Program loan can be interest free for five years with no principal repayment for five years. I do not have that same attraction in the tourist field, although I will admit that on a general basis it is two per cent below the prime provincial government borrowing rate in any given quarter or in the given quarter of the loan being made.

Mr. Wildman: The thing I am concerned about is that if you look at the ODC loans as compared to the NODC and EODC, there seems to be a lot more industrial mortgage loans and certainly a higher amount being dispersed under ODC as opposed to the other two.

Hon. Mr. Bennett: Which ones are you looking at?

Mr. Wildman: Industrial mortgage loans.

Hon. Mr. Bennett: Oh yes, okay.

Mr. Wildman: If you get 17 as opposed to eight, when you are looking at industrial mortgage as opposed to tourism under ODC, that seems to indicate a concentration even by the development corporation on industrial development in the southern part of the province as opposed to the north and east. Is it unfair for me to conclude that or not?

Hon. Mr. Bennett: I always think you have to keep very clearly in mind the regions you are dealing with. In an area of, let's say, Toronto, Niagara and this area, the number of tourist applications we are going to get is going to be down. It is going to be the very small operator we are likely to hear from and it's not going to be in the \$200,000 to \$500,000 range. They are going to be looking for the lesser amounts. More and more of the corporations in this area can go to the banks or to the mortgage companies and secure funding because of the opportunity of being able to turn over the real estate if anything should happen in a failure by the bank or mortgage holding company. I think if we look at the OBIP loans that we make in this part of the province versus—

Mr. Wildman: They are much lower.

Hon. Mr. Bennett: —your area or my area, there's no relationship, no comparison whatsoever, really. I think those are the sort of things that should be looked at as well. We've got to take the whole program into consideration. Let me go on with a very general remark: We've had the overall loaning programs of the development corporations under review. There was some advice given to us by the Small Business Advisory Committee, there has been advice given to us by some of the political people from various parties on what they think should happen. All of it has been put into the hopper with a group of private individuals to have a look at whether our loans program could not be made more simple.

In other words, whether we have to get into an OBIP program, an export program—export is one which you have to keep somewhat separate from all the others—OBIP, small business, industrial mortgage, tourism and so on, whether they couldn't come under a loan program, period, and that you have a set of conditions applicable, period, whether it be a tourist industry or a small business development or whether it be a mortgage program that has some advantages similar from one to the other.

Someone asked me a question one day, "Why is it that the tourist program doesn't have the same advantages of the OBIP program?" That's a good question. The problem is that we developed the tourist loan pro-

gram to respond to the needs at the time of the tourist industry because it wasn't being looked after. Nobody was really helping them. We brought on the OBIP program to try and resolve a problem that we were having in some business incentive areas, some areas where business incentives were required.

If you sit back and look at it honestly and fairly, I'm not saying it will happen, but in my personal opinion at the moment I think there is justification for having a loan program with the same terms and conditions available. The only thing is you look at small business, you look at the tourist business and so on and rate them accordingly. Whether it comes to be, I would not want to say positively at this time, but it's still being reviewed. I have to know what it's going to cost you if you do that.

[11:00]

Mr. Wildman: I notice that if you look at the small business loans as well you get a similar situation and an even larger number being dispersed in southern Ontario and southwestern Ontario than in the north and east, especially in the north. When you look at the amounts, you get approximately the same amount of dollars for ODC in the small business as opposed to the other two types of loans I'm talking about, whereas it's much lower in both the north and the east.

Hon. Mr. Bennett: There again, you'll get some which will lap over into the business improvement program. That's one of the complications. You bring these programs on stream to meet the requirements of the day. What we're trying to do now is a full assessment of them all as to whether there is really the need to call it a small business program. Mr. Eakins might think that it's more essential to keep the name "small business" than "Ontario business improvement program." Regardless of which name it happens to be, does it fill a necessary function in the area of financing? I hope that we'll have something to report within a reasonable period of time. I'm not trying to push them into making decisions that we'll live to regret two months later because we didn't give enough thought to it.

The business advisory committee is looking at this program as well to see how they react to it. I might say that overall in the surveys that we made on the development corporation, and we were trying to be as critical of our own operation as we possibly could, we came out fairly well. A very substantial number of people agreed with the service we were offering. They found that the consulting services, the input, and all the advice given was worthwhile. Sure, there were some that didn't think we'd operated

quite as rapidly or as fast as we should have. Some felt that we weren't fair in analysing their applications. I'm sure that if the banks were put under the same magnifying glass, they'd likely get about the same type of criticism.

I've had criticism saying that our ratio of write-offs is not substantial enough for a lender of last resort. That might be so. On the other hand, we try to be as cautious as possible and, given the risk factor we have to live with, taking that into account at the same time.

Mr. Wildman: I don't want to discolour what I have to say by my own area's experience, but I might say that the ratio of write-offs in Algoma is certainly as high as possible. I think it's 100 per cent, if you look at industrial development.

Hon. Mr. Bennett: They're not written off yet.

Mr. Wildman: You've sold off the assets of two, at least.

Hon. Mr. Bennett: Champlain?

Mr. Wildman: Champlain and Sullivan Trailer. They've been sold off. By the way, I didn't want to get into this particularly, but what is the status of Winlock Veneer and your connection? Have you no connection at all any more with the Blind River operation?

Mr. Joyce: My understanding is they're still negotiating for timber rights.

Mr. Rodgers: They're still negotiating on the timber rights with Natural Resources.

Mr. Wildman: Okay, but you don't have any connection any more? How much did you lose on that one?

Mr. Rodgers: Champlain?

Mr. Joyce: Everything we had in there, I think.

Hon. Mr. Bennett: We have \$110,000 in Sullivan Trailer as well.

Mr. Wildman: You recovered some of it, though, when you sold the assets, I would think. I would hope.

Mr. Rodgers: Just a little over \$300,000 on Champlain.

Mr. Wildman: That was on an initial loan of \$500,000?

Mr. Rodgers: Yes.

Mr. Wildman: What did you recover from Sullivan?

Mr. Rodgers: From Sullivan Trailer? It was written off in full.

Mr. Wildman: The \$110,000? Okay. I

won't go into the other two, but can you tell me what is your percentage of write-off of loss in the north for NODC? When you look at the number of loans and the amount of money, what is the percentage of bankruptcies where you end up in a situation where the company is unable to continue and must go into receivership or sell off?

Mr. Rodgers: Our overall picture is about four per cent.

Hon. Mr. Bennett: Just four per cent?

Mr. Rodgers: About four to five per cent. It's a little higher in the north than it would be in the south in terms of numbers to dollars because of the smaller amount of loans.

Mr. Wildman: Then Algoma is a strange anomaly in terms of write-offs. Is that what you are saying?

Mr. Rodgers: It has been difficult, very difficult, for companies to succeed in Algoma.

Hon. Mr. Bennett: That doesn't mean to say we won't continue to apply a great deal of effort.

Mr. Rodgers: We're still finding, Mr. Wildman, that the majority of failures are still related to management problems vis-à-vis economic problems. A broad picture of why the majority of businesses fail usually can be related to management failures vis-à-vis economic failures, although there are some economic failures that come about. One of our aims is that while we do make loans, we also try to encourage and develop and educate the manager as well, because we have got to look after his ability to run that and to manage the dollars that we've loaned.

Mr. Wildman: I want to make it clear that the tourist loans under NODC in our area usually have been quite successful, in percentage terms. But again I emphasize that if we're going to create a large number of employment opportunities, we need industrial development on the north shore. Have there been any industrial development applications in the Blind River area, for instance, in the last year that are under consideration?

Mr. Rodgers: I don't recall that offhand, but could get that figure for you and make it available to you.

Mr. Wildman: Okay. Have you had any kind of contact at all with the municipal people or the people interested in the development of a refinery at Serpent River?

Hon. Mr. Bennett: They would like to be

in touch with Mr. Garland or his people through the industrial program.

Mr. Rodgers: That would be an industry that we wouldn't cover.

Mr. Wildman: That was the other thing I wanted to ask you about. Would you comment on the suggestion I made earlier that perhaps the terms of reference of ODC, NODC and EODC should be widened to allow for processing industries to be eligible for a loan assistance? Is that practical? Obviously, if we're going to look at processing in the north, we're going to have to give some kind of encouragement to that. What is your feeling on that?

Hon. Mr. Bennett: Mr. Wildman, I'm not sure it should come under this program. We're not talking about things that are going to take \$200,000, \$300,000 or \$500,000; we're looking at processes that take millions to get under way. In that relationship our input is so insignificant that our program, unless it's enhanced considerably in dollars, really wouldn't accommodate it. I'm not sure that's the area we were originally intended to help.

When you get into things like smelting and some of the larger things, they are full shareholding operations, generally speaking, by national corporations. They are not the things we have tried to cope with in the development corporation plan. If incentives are needed, maybe there has to be a program specifically written out for those incentives for smelters or whatever it is we're talking about. But I don't think we should try to accommodate it under a development loan program.

Mr. Wildman: Okay.

Hon. Mr. Bennett: One outfit came in to see us for \$2.25 million. That's great. But if you take \$2.25 million out of this program, that might have gone to help 25 firms. I just think it strangles this program and reduces its effectiveness as a development tool for small and medium-sized industry operations, tourist operations included.

Mr. Wildman: Right now, though, while you're saying it couldn't be accommodated under this program, there isn't any other program under your ministry for the encouragement of, say, a zinc refinery in the north as suggested by Natural Resources or whatever. There just isn't any program.

Hon. Mr. Bennett: Not under this ministry. We've not dealt with the basic resources of the province. That's been left to Natural Resources and, I guess to some degree, Northern Affairs. There are other

programs they've worked on—federal programs and so on. I think you have to look at a thing like smelting as a national producing operation rather than just as one of a provincial nature.

Mr. G. I. Miller: Is there co-operation between the federal and provincial governments in this regard?

Hon. Mr. Bennett: In fairness, forgetting about politics for the moment, the federal government is as concerned about opening up the north and finding employment opportunities for people there as this government is and as the government of Manitoba, past and present. I think all governments have great concern. From all political areas there has been a lot of talk about it. It's very difficult to come up with concrete plans because it comes down to one basic principle of life, people will invest where they know there's a return.

I don't care whether it be in Canada, whether it be in Indonesia, whether it be in Brazil or whatever other country of the world, they'll invest if there's a return. When there's return, then it becomes incumbent upon some other operation to do it.

Mr. G. I. Miller: That's the way it should be. If they can't get a return there's no use in their putting money in where they're going to go broke. Even in these instances, how long were they in business before the companies that were referred to this morning went broke?

Hon. Mr. Bennett: They were in business a few years. Sullivan was in business since 1972 or 1973. In fact, he was in business before that, because he was on a performance loan program so it had to be back prior to 1972. I became minister in 1973 and immediately got rid of the performance loan program.

Mr. Wildman: I wanted to talk a little bit about the performance loan program. Could you give us some idea of how much money was written off or forgiven under the old performance loans that were given prior to 1972?

Hon. Mr. Bennett: In total?

Mr. Wildman: Yes, in total, in this year's budget.

Mr. Joyce: I don't know that we have that figure of the totals here.

Mr. Eakins: During what period did that operate, what years?

Hon. Mr. Bennett: The Ontario Development Corporation came into being in 1966, so it had to be before that. Prior to that,

there was the old Trade and Development program, I forget the name of it.

Mr. Wildman: While you're looking for that, could you tell me how you determine whether or not the performance has been what it should be. For instance, if the person or firm applied for a performance loan when that program was in effect and received one, how do you determine whether or not the firm has lived up to its part of the bargain in performing, that is in providing the number of jobs it is supposed to provide or not?

Mr. Joyce: The firm reports to us annually and we have a consultant look at the figures. They're then presented to our board along with a recommendation either for a forgiveness as promised or a deferment of forgiveness pending achieving their objectives.

In most cases, the original objectives are achieved. In some cases, special circumstances have to be taken into consideration. They may not have achieved their employment through developing greater efficiency, but they've still contributed substantially enough to the community that they warrant the write-off. This is put to our board of directors, who then decide whether they should get the write-off as originally promised, despite having not quite perhaps met the objectives, or whether it should be deferred for another year or so.

Mr. Wildman: Were these kinds of loans made only to manufacturing firms?

Mr. Joyce: Yes.

Hon. Mr. Bennett: This is based on the original projection by the applicant at the time of being granted the performance loan. He indicates at that time what his employment would be and his volume of sales and so on. As Mr. Joyce has said, if new technology happens to come into the field in which he's operating in that five or six year period, I don't think you should penalize him for having implemented a new technology, which we keep talking about—

Mr. Wildman: No, I can understand your point there.

Hon. Mr. Bennett: —if it will increase the efficiency, and therefore sales.

Mr. Wildman: I understand that Thunder Bay Electronics received a \$330,000 performance loan, plus an additional term loan of \$330,000 in 1972, at the same time that J. Conrad LaVigne Enterprises received loans totalling \$600,000.

Hon. Mr. Bennett: Right.

Mr. Wildman: How is it that Thunder Bay Electronics, a TV station, qualified if the

performance loan program was set up for manufacturers?

Hon. Mr. Bennett: That was a special; an announcement was made back in 1962, I believe.

Mr. Wildman: Yes, I have a copy.

Hon. Mr. Bennett: There was a great cry from your party, and I think all northern members, that we do something to allow the expansion of radio and TV in the north. [11:15]

As you will recall, a week or so ago we extended another loan to a firm in the north—in the Fort Frances area—to expand their radio network for northern pleasure. At the time the program was announced, these were special conditions that were provided to encourage them to get on with the opportunities that we thought should be made available to the northern people.

Mr. Wildman: Okay. You won't get any argument from me that we need to improve TV services and communications in northern Ontario.

What concerns me about the reasoning behind those two sets of loans is the expansion of J. Conrad LaVigne's TV service in northeastern Ontario and Thunder Bay Electronics Limited's expansion of CTV service in northeastern Ontario.

Correct me if I am wrong, but I understood that what was proposed was an extension of services by Thunder Bay Electronics Limited of the CTV service—that is a second network for choice and variety in programming—to 12 northwestern Ontario communities. As of now, I understand that they have not extended their service outside of Thunder Bay, yet the announcement was made in May, 1972, by the Premier (Mr. Davis).

I also understand the people at Thunder Bay Electronics Limited feel that they just can't afford to go ahead and expand outside of Thunder Bay, that they may need an additional \$3 million in order to fulfil the proposal for expansion into those 12 additional communities.

Hon. Mr. Bennett: I feel the pressure of the exhaust pipe.

Mr. Wildman: Was it intended that the performance loan was to be tied to the expansion of the network into those 12 communities? If they haven't expanded, what is happening with the performance loan and the forgiveness portion of it?

Mr. Joyce: I think we'd have to check back to our records. We don't have the informa-

tion here. I believe they are working toward expanding outside of Thunder Bay.

Mr. Wildman: They have the second station in Thunder Bay, and yes I think that they are working towards it. They have been talking to the federal government and they have been talking to you people, I suppose.

Hon. Mr. Bennett: We will check on it for you. But generally speaking, the loan advancements aren't made until certain concrete work has taken place in relationship to the application and what is asked for.

Mr. Wildman: I received a letter from Mr. Fleck, written October 3, 1977, in which he was referring to the two loans—to J. Conrad LaVigne and to Thunder Bay Electronics Limited. He stated on page two: "Both projects were completed satisfactorily and have been operating for some time." I think that is correct in relation to J. Conrad LaVigne. I am not so sure that is correct for Thunder Bay Electronics Limited.

It states further: "Thunder Bay Electronics Limited has plans to extend its channel four coverage beyond the Thunder Bay area into other areas of northwestern Ontario, but as yet has not been able to implement them." I may be reading too much into that, but that seems to be a contradiction to me. I don't think that Thunder Bay Electronics Limited, in not having extended its channel four coverage outside of Thunder Bay, has fulfilled the plans it had at the time it received a loan.

Hon. Mr. Bennett: You leave it with us. We will check it and I'll get back to you on it.

Mr. Wildman: Thank you. You made a recent announcement about a radio network for Fort Frances. If there were other firms in northern Ontario that wanted to expand TV or radio networks into areas that either do not have it now or do not have adequate service, would you be willing to look at giving them loans now, although certainly not performance loans?

Hon. Mr. Bennett: That is correct; but they would not be performance loans. We would be glad to sit and talk with them—their people, our people, and others in the communications world to get a full analysis of what it is they want to do and to see whether there is any contradiction of CRTC regulations and so on. If it falls within the terms of reference, they would be entitled to secure a loan from the province as J. Conrad LaVigne, Thunder Bay Electronics Limited, the company in Fort Frances and others have received from us.

Mr. Wildman: There have been proposals to expand French language television to Du-

breuilville and there is a sort of closed-circuit cable system in operation there now, or it will be in December of this year. There have also been proposals to expand CTV and ETV into the Wawa-White River area.

Hon. Mr. Bennett: But that's by microwave, is it not?

Mr. Wildman: They are proposals on microwave.

Hon. Mr. Bennett: That will come in due course, I believe, when CRTC approves the system; that was my understanding.

Mr. Wildman: Yes, their proposal is before the CRTC.

Hon. Mr. Bennett: Yes, because they have now provided for microwave service across this province prior to this date, or across Canada, except those controlled by national authorities.

Mr. Wildman: That's right.

On another matter, can you explain the relationship between ODC and ARDA? When someone makes an application for an ARDA grant, what is the involvement of the Ontario Development Corporation?

Mr. Joyce: The Ontario Development Corporation processes the financial figures for the ARDA committee. This relationship was, I believe, under discussion as late as yesterday, because we do the work and provide figures to the Ontario ARDA and the federal ARDA, both of whom accept our figures. The federal people are thinking, because they have sufficient staff I gather, of doing the figures themselves; so we are currently discussing with them the matter of their taking the job over; then we'll look at their figures.

Mr. Rodgers: We have also been following up on behalf of the provincial ARDA. We do the follow-up on the account and the collection of the moneys; but the funding comes from both the federal government and the provincial government, and we would do the initial disbursement, as well, of those funds to the applicant. We're just a convenience for both federal and provincial ARDA at this moment, in looking at the submission, checking out the financial viability of the project and giving a recommendation back to ARDA, both federally and provincially, which then makes the decision on the loan.

Mr. Wildman: Does ARDA usually accept your recommendations or has it been known to ignore your recommendations and go ahead, either denying a loan or grant or providing it?

Mr. Rodgers: They're the decision-makers. We offer them a service.

Mr. Joyce: I don't really know of any

case where they have not accepted our recommendations. At times, I believe, we have sent applications up without recommendations and they've made up their own mind.

Mr. Wildman: Did you make a recommendation on Gravesend Farms at Goulais River?

Mr. Rodgers: Which one?

Mr. Wildman: Gravesend Farms?

Mr. Rodgers: I don't recall that one at all. What does it do?

Mr. Wildman: It's a rabbit farm.

Hon. Mr. Bennett: Oh yes, I thought the name had a certain ring to it. We've been working with the entrepreneur in trying to help him again. It's great to go into business but if you don't know where the hell your margin is there's not much sense in being in business.

Mr. Wildman: It's nine per cent of the Toronto market.

Hon. Mr. Bennett: It's a matter of getting here.

Mr. Wildman: That's right.

Hon. Mr. Bennett: I'll just go through this quickly for you:

Mr. A. Robertson approached the ministry on June 16 and asked for assistance. People from our ministry attended at the farm at Goulais River and had various meetings in Sault Ste. Marie. Mr. Gribowski assisted in getting him ARDA and federal business development bank funds released. One of our men assisted him with marketing plans. John Fabius in our office at Sault Ste. Marie has worked with him on a rather regular basis.

Mr. Walker visited the plant with Mr. Fabius, our man, to inspect and recommend improvements to conveyor, metal and material-handling systems. We also helped him with the development with a cash-flow forecast to determine break-even points to assist in management, which obviously was not understood. We've had steady, ongoing consultations with the gentleman.

Mr. Wildman: The thing that rather surprised me was that I received a letter from you, Mr. Minister, on August 18—

Hon. Mr. Bennett: Back on November 1 this year.

Mr. Wildman: I'm looking at a previous letter right now, of August 18 of this year, in which you stated:

"In its report to ARDA, the NODC drew attention to 'the weaknesses of the company's plans and expressed doubts as to the business

viability and on certain supply arrangements.' Nevertheless, the ARDA directorate did approve the grant to the company in question. Regarding the provision of promoting ad material and advertising campaigns directed towards the consumption of rabbit meat, there are no plans to institute such a program."

Hon. Mr. Bennett: Right; I recall that letter now.

Mr. Wildman: That appears to me to say that ARDA in spite of some doubts by NODC, made a recommendation to approve. That would go against what you said earlier.

Mr. Joyce: The ARDA directorate has no connection with the Ministry of Industry and Tourism. As Mr. Rodgers pointed out, we service the loans and provide them financial information. In the end we may or may not provide direct recommendations.

Mr. Wildman: It seems that that may be an operation that is a viable one if they can get the funding they need, but one of the problems is they didn't have federal Department of Agriculture inspection.

Mr. Joyce: That's right.

Mr. Wildman: Without that they couldn't market their meat to chain stores. It would probably have been a lot better if originally the plant could have been built according to federal guidelines and stipulations so that federal inspection would be forthcoming. It appears now they are going to be able to go ahead and change the plant so that they can get federal inspection. Is that right or am I wrong? The Ontario Development Corporation wouldn't be directly involved with this. This would be other departments of the ministry, is that right?

Mr. Joyce: No, it's the Ministries of Agriculture, federally and provincially, that are involved.

Mr. Wildman: Mr. Gribowski, Mr. Pollock and Mr. Brosky have been involved.

Hon. Mr. Bennett: Yes.

Mr. Rodgers: They've been involved in financial and business assistance.

Mr. Wildman: You say you have a letter about it.

Hon. Mr. Bennett: I sent you a letter; the mail service isn't that bad, is it?

Mr. Wildman: I haven't seen it yet, but my assistant probably has.

Hon. Mr. Bennett: Mind you, if they sent it through the federal service, I can appreciate you may not have it until December 1.

Mr. Wildman: That's all the questions I have right now.

Hon. Mr. Bennett: It said: "Mr. Al Robertson visited the ministry's office at Queen's Park on June 16, 1977, and advised the company was facing serious financial and marketing problems and requested assistance in marketing and financial planning. Counselling services were provided to assist management in these areas.

"The company's program to market to major food chains would require federal inspection and approval. Federal inspection, in turn, would require process and equipment modifications.

"Because of shortage of capital it is not possible to proceed with a Canada-wide export marketing plan at this time. Meetings with ARDA and NODC representative and conversation with federal health of animals representatives support these findings.

"In addition, our staff referred the case to the federal Manpower consultative service group which has a consultant with meat processing plant experience. Hopefully, you'll be able to assist the principals in depth to review and develop a business plan, using a management-labour approach. The company is in difficult financial position and urgently requires a financial restructuring. Last week at the company meeting at which a new board of directors was elected, the decision was made to authorize more company shares with the intent to offer shares to interested persons to obtain an equity and working capital."

It goes on to say, "If they get this, they could very well start producing a different system."

Mr. Wildman: Then your connection with ARDA in general terms, without talking about this particular one, simply is advisory and doing analysis of the market and financial conditions.

Mr. Joyce: We actually disburse the money and do the follow-up report.

Mr. Wildman: I see.

Mr. Rodgers: We're the collection agency too. I have the figures you asked for earlier, Mr. Wildman. In the estimates this year \$6 million is included for forgiveness of loans on that old program. Up to and before 1977-78 we have forgiven \$22 million in loans. Still to be forgiven is another \$22 millions, for a total program of close to \$50 million.

Mr. Joyce: While we're on that, the performance loan program terminated in 1973.

Mr. Wildman: Yes, I know that, I know you don't have them right now, but could you get the figures on how many jobs have

resulted as of this date for the disbursement of approximately \$28 million?

[11:30]

Mr. Lane: Mr. Chairman, I hope you won't rule me out of order if I discuss something Mr. Wildman has brought up that maybe doesn't relate directly to this particular vote or this particular ministry. I understand it was brought up earlier in the estimates and again today; that's the timber on the lands formerly licensed to Champlain Forest Products Limited, which went bankrupt as a result of an operation from Blind River.

This area now, of course, is under licence to Mr. Fabri from Elliot Lake, who has been able to operate without government assistance for many years on land that was cut over by highgraders and is still able to make a small profit and provide jobs for the area and so on. I make no apologies at all for having been involved in bringing about this type of an agreement.

However, there was no effort on my part or anybody else's to take away anything from Blind River. As Mr. Wildman knows, a US-based veneer firm has purchased a portion of the old plant in Blind River and wants to make veneer. There would be between 15 and 20 jobs available if this was to go ahead. I don't know why it's not going ahead. I was talking to Mr. Fabri yesterday, because there has been some grapevine information coming to me that he was holding out and wasn't prepared to deal with the spokesman for the veneer firm, Mr. Jorgensen, I believe it is, and so on. He tells me a meeting was set up three weeks ago and at the request of Mr. Jorgenson the meeting was postponed until today.

I have no way of knowing that that meeting is going to happen today even, so I think in the interests of the people who could be employed there, you and I both should continue to press to get this thing moving. The inventory shows about 37 million board feet of veneer logs left on that limit. The firm in your town would want from five million to seven million feet per year, and part of the agreement is that that would be delivered to them when they're ready for it.

There are conflicting stories here. One is that they've been ready for it and we won't deliver. The other is there haven't been negotiations going on at that level and they haven't resolved the matter of putting it on the skidway for X number of dollars per thousand and so on. So I think we both have our responsibilities to continue to try to get this thing together and get these guys work-

ing. I just wanted to clear that matter up; it isn't sometimes the way it sounds.

Hon. Mr. Bennett: I may assure you, Mr. Lane and Mr. Wildman, that this ministry will not stand in the way of a company coming in and getting the plant back into operation and producing some jobs.

Mr. Lane: There's just one other remark I would make on that, and I was very emphatic on this last year. The life of this company in Blind River, this veneer company, would probably be from five to seven years and we didn't want another situation—at least I didn't—like Champlain Forest Products Limited where large limits of land were tied up because of a bankruptcy and as a result nobody could profit from it. Mr. Fabri has been able to operate under adverse conditions and show a profit over a period of years. He looks like a good operator. Eddy Forest Products needs the chips and the US based firm can use the veneer. So it's a good combination—three different people getting wood from the same source.

My feeling was that the veneer aspect was going to pave the way first, because the chips for Espanola and the lumber for Fabri is going to be an ongoing thing, and the person who was going to be the first off of the truck should be the last to get on, so to speak. In other words, there wouldn't be any interruption in the job opportunities and in the production in the area once this veneer wood is utilized, which will be five or seven years down the road.

Thank you, Mr. Chairman, for allowing that which I know was out of order, more or less, but it had been discussed here.

Mr. Chairman: Very interesting, Mr. Lane.

Mr. Lane: To get back to Northern Ontario Development Corporation, which is the one I'm interested in. Back in 1971, when I first began to represent the people of the great riding of Algoma-Manitoulin, this program wasn't worth a damn. It was something that we talked about, it was available, but it wasn't being used because it wasn't any good. I believe Mr. White was the minister of the day and I made it known to him and to the Premier and to other people that if we were going to serve northern Ontario with this program we had to make some drastic changes in it. I am not sure of my dates but I think it was August 1973—Mr. Joyce would know for sure, anyway—when the new version of the NODC was announced in Timmins. Since that time it has moved ahead very progressively.

I was concerned, and I expressed my concerns at the estimates last year and probably

the year before that, about the number of applications that never saw the light of day, so to speak. In other words, some guy up north wanted to do something; he got his application in the mail but the directors never had a chance to vote on it because somewhere within your ministry somebody decided it wasn't a good thing to do.

I don't think that should happen too often. I understand it is not happening very often any more. In many cases people are making decisions within your ministry. In all fairness to them, they don't necessarily understand the problems in the north as they may relate to that particular area. As I think the directors of NODC are all northerners, that responsibility should be placed upon them to decide whether a project is good or bad, and not so much vetoed in the ministry itself. I think we moved ahead pretty well on that.

Hon. Mr. Bennett: I might say, Mr. Lane, that the new policy has been for the last couple of years, or year and a half, or thereabouts, that every application that is made, regardless of its disposition, ultimately must be recorded and reported at the monthly meeting to the board of directors of NODC, EODC, or ODC. In other words, if John Smith in X location in the province makes a decision on an application or a recommendation, he must report that to the board.

Board members, generally speaking, have been fairly well briefed by the business community from which they happen to come, particularly if one of the applications that has been refused comes from their area. They can ask for it to be raised at that time for a review, which is entirely their right to do so. But I think the overall program seems to have improved considerably.

If Bill Brown comes in and makes a general inquiry and takes an application for an ODC loan and then, because of the general conversation that transpires between himself and the government representative, he doesn't wish to proceed with the application, I have no way of knowing about that one.

It can also be bad press work, because sometimes he goes and says, "Well, he wouldn't take my application." I have heard this story. It was not a matter of who would take the application, it was that in the general course of conversation he really did not see need for proceeding any further with the application. So the ultimate decision of whether or not he wants to take the form, of course, is his. We will give him a decision. He can appeal that, or the board can ask to have it reviewed and heard. I think that it works much more effectively.

Mr. Lane: I can really appreciate the fact

that, as you say, it has moved ahead now, and even though some applications may actually be turned down within the ministry, they can still come before the board and if need be, they can be resurrected.

Hon. Mr. Bennett: Before the board in name only; not in a full review of each case.

Mr. Lane: I appreciate what you are saying. There are many people who come to me—and I am sure, who come to your people in the field—saying, "We want to do this or that," and it just does not make any sense because there is no future for that type of an operation in that area. I spend a fair bit of my time, and I am sure a number of your civil servants spend a fair bit of their time, trying to talk the guy out of doing what he thinks he wants to do, not only because he is going to waste our money, but he is also going to waste his own.

I think that is good. I think good advice at the right time is maybe not really appreciated by the chap at the time, but down the road someplace he is going to appreciate that. I think you are doing a good job there.

If we are providing risk capital, and if we are the lender of last resort, which we say we are, the only thing that I am a little concerned about is that I don't really think we always follow through. I think some of the people who get money from us could get it someplace else in some cases, and maybe do get portions of it there. I don't think we should be all that concerned about having some loss, because even banks that want gilt-edged security have some losses from time to time.

Over the last four or five years there have been a good number of applications approved in my riding and at the moment I can only think of one that really has backfired on us. That one had a combination of things that certainly we could not control. The applicant died in the middle of the program and the family just could not carry on.

But even in a case of loss—say we have \$200,000 in there and eventually we sell it for \$100,000, so we have lost \$100,000. In actual fact this is not the case because that hotel or whatever it was was built in the area. There were people employed.

Hon. Mr. Bennett: The next operator might be successful.

Mr. Lane: Material was purchased and so forth. So the loss is not as great as shown on paper, because we did provide for a number of jobs while that project was being built. I am just wondering if we do spread ourselves quite thin enough. Maybe some risks we think aren't good enough to be the recipient of a

loan from a lender of last resort should have a chance to prove their worth, because otherwise, obviously, they can't go anyplace else and get the money. Maybe we should occasionally have more losses than we have and give more people a chance to prove they have a viable program and could be good operators and employers of people and providers of services, if we helped them get started.

I am not saying we should go hog wild on that. But I am just wondering maybe—I am not concerned about the number of dollars we will lose. I sometimes think maybe we are not spreading ourselves quite thin enough if we are not losing any money, not that it is a good practice to lose money.

Hon. Mr. Bennett: I would just offer one explanation on that. A very substantial number of our loans are in arrears, and where we have to spend a tremendous amount of time out nursing them along, keeping them in business, helping them with their financing, helping them with their bookkeeping, helping them with their accounts collection, helping them to control their inventory and either raw materials coming in or end goods going out, helping them to find through the energy bus system where can they cut the cost of operation and so on.

In this risk period, when economics and things are down, people say, "You haven't got as many loans going out." But I'll tell you we are spending more time, because the arrears are getting greater and greater, in trying to nursemaid a number of the loans that we have made.

I don't know, Mr. Lane, how you can explain it. We think we go pretty far now. As the minister—and I say this to Mr. Wildman and Mr. Eakins—there are days when I have recommendations coming from my boards. They will say to me, "We think we should lend \$200,000"—just for a hit and miss figure—"to a company." I have a very limited file on it. Obviously I am not going to go through the whole file; that is why you have a board. But you do try to use some degree of business understanding. You go to this file and say to yourself, "How in heaven's name did they ever come to the conclusion to lend this fellow five cents, let alone \$100,000 or \$200,000?"

I'll sign the order in council and say, "Geez, when Mr. Wildman sees this, he is going to ask in the House, 'What was the basis of ever wanting to loan this fellow any money? How did you come to the understanding that there was ever any financial viability or economic viability in this operation?'" I sit behind my desk in the Hearst

Block looking at these things and I have to try and think of what Mr. Wildman might say or what John Eakins might want to say to me. That is part of the job of being a politician, I suppose.

An hon. member: Bad crew.

Hon. Mr. Bennett: But again, if I were in the private sector, I could tell you some of the loans would be a long ways from my desk in ever getting approved. Being in the public sector where we are the lender of last resort, knowing the nursemaid job we are taking on, is why, to go one step further, banks don't really want our guarantees, because we are going to have to be nursemaid to the people we are guaranteeing morning, noon and night. The banks don't want that responsibility. They want to be able to go in and lend money and be able to service the account once a month or whatever it requires, not once a day. That is why we get locked into these positions.

I said to this committee last year and I say it again this year: If you think there are applications in your constituency—or that you know of, whether they are in your constituency or not—that aren't being dealt with fairly, or the wrong suggestion has been taken, or you think it is adverse to the economic position of the area that they relate to, we are more than prepared to start reviewing them. But just keep in mind, with the staff we have, we can only service so many accounts and do it somewhat effectively. I use the words "somewhat effectively" in respect to the problems we are facing in this day and age.

Mr. Lane: I would just like to say, Mr. Minister, in all fairness to you and the people on the boards and in the ministry, that the public relations of the program has improved 100 per cent in my riding in the last three or four years. Certainly a lot more people are making use of it.

The other thing I am a little concerned about is that at a time when we have so much unemployment, we have a few people who would like to venture into a project, but when they look at the interest rates of nine or 9.5 or 10 per cent or whatever it is going to be, it just gets a little bit too chancy for them. Without some encouragement probably they don't go, so the job doesn't get done and there is no work provided.

[11:45]

I'm just wondering if in some cases the board should think of providing a little better interest rate at this particular point in time to help with projects which could go ahead and provide jobs that otherwise won't get off

the ground. It's just a suggestion. I don't know that—

Hon. Mr. Bennett: I think all members are aware of the fact that at the moment our interest rates are likely better than most market interest rates. They are much more favourable than the individual could receive at the private sector, that is, at the Bank of Nova Scotia, Montreal, Royal, Toronto Dominion, Imperial—I will say them all so that I'm not accused of favouring one over the other—and, indeed, any of the trust companies. The OBIP loan, of course, is an exceptional thing where the individual can get five years interest-free and five years' principal deferment.

What I was saying earlier this morning is that we're assessing all of the programs in the development corporations, all of the loan programs, and we will look at them carefully. I hope in the next reasonable period of time we might come down with one unified loan program that will be easily understood, first of all by the minister, because I tell you, when I get these mortgage loans, OBIP, export loans, small business development loans, some other kind of loan, or I get a deferment, I have to go back sometimes and find out what the terms of reference happen to be to allow for this particular loan where we have a common loan, excluding export development. Export is a whole area that I think should be very high in visibility because it is important to industries looking at more and more export potential.

I think you're right; the type of loans we have, the interest advantages we have, should be further explored. I say this to my critics in both the Liberal Party and the NDP: Neither here nor in any other government do we have all the answers to all the problems. If you have suggestions about things you think should be included in the loan program that would make it more advantageous for the people in the political constituency you serve, or Mr. Wildman or any of his colleagues serve, we'd be delighted to hear of them.

We have gone through reviewing programs around the world to see if we can upgrade our programs or enhance our programs or make them more advantageous to gain the confidence of the business community to invest in that particular area of the province. We haven't got the sole rights to all the great things in the financial world, so we ask you. If you've got some suggestions Mr. Lane, Mr. Wildman or Mr. Eakins, we'd be delighted to receive them—delighted.

We think we've got some good programs. We're not saying that they're the end of the

great financial problem. If we come along in the next short time with a fairly general program, it will be to try, first, to accommodate small industry to reduce the complications and the bureaucracy needed to process all of the applications; second, to give the small businessman some interest advantages under the OBIP loan, some determinative principal advantages which gives him a better chance for cash flow in his business rather than necessitating his immediately taking it out to pay the loan, he has a period of time in which he can develop some cash flow and some reserves to continue to operate on the current basis effectively; and third, just a general easing of pressure on him. That's what we're looking at.

The program likely will have a deferment of interest period, more than just a reducing of the interest from, let's say, 11.5 to 8.5 or 9.5 per cent. But if you average it over a five-year period, you will likely find his interest rate, if he takes it on a 15-year basis, will come down to about 6 or 6.5 per cent, if he gets that deferment for five years.

Mr. Lane: It's encouraging, Mr. Minister, to hear that from you. I would just like to say again that I would like to take this opportunity to congratulate Mr. Joyce and members of the board. I think they're doing a tremendous job and I have found them very, very helpful when I have questions from constituents and applicants. I have been more than well used by your people and I'd just like to take this opportunity to say so.

Mr. Eakins: I wish to make a comment about Uniroyal. I think we had discussed that. Did you have something? If not—

Hon. Mr. Bennett: The Uniroyal file? I have it here, yes. Uniroyal has no intentions of selling its present plant. It bought out one other company, which will give some degree of stability of employment that's presently there.

Mr. Eakins: They have which?

Hon. Mr. Bennett: Bought out a company; I forget the name of it, John. Their intentions are to try and bring new products on line in that plant, either by new technology or by diverting some production away from other Uniroyal plants into the Lindsay plant. If that's the case, they will offer no immediate solution to some of the problems. They figure that over the next year or so they will bring things back into balance. That's as rapidly as they see themselves

being able to move on the problem. However, they are not up for sale.

Mr. Eakins: To follow up some of the other things which my colleagues have been discussing: Do you feel you can improve on the time for processing? This is one of the complaints which I often hear. In fact, a lady called me yesterday and said, "I started this in April. I was told that it was approved in June or July but we still have nothing through. I just wish I knew where it stood."

Hon. Mr. Bennett: Can you give me the name afterwards?

Mr. Eakins: Yes, I'll pass it on to one of your people.

Mr. Wildman: It doesn't sound like the 59 days they talk about.

Hon. Mr. Bennett: Let me just say this, John. Your question was well asked and it's one that causes confusion for the minister constantly. People will say that they submitted their application X months ago, and that could very well be true. In most cases they're absolutely right about the time of putting in their application. However, they forget to tell you that their auditor or accountant or lawyer or somebody else who was involved just didn't get his share accomplished. My people can't process an application until the information that the regulations require are submitted. I've gone through it time and again. I'd be glad to look at it once more, but I would venture a guess that we're waiting for a financial statement or a bank statement. We're likely waiting for an accounting certification. We're likely waiting for some legal terminology on whether or not mortgages can be placed upon existing assets.

Mr. Eakins: I'm sure that it's a two-way street. There are many cases where there's another side of the story. However, do you not feel that there are times when it might get pigeon-holed somewhere down the line?

Hon. Mr. Bennett: There's always that possibility, but it doesn't happen with the regularity that some people would like you to believe.

Mr. Eakins: Do you review this matter with your staff regularly?

Hon. Mr. Bennett: I leave it to two specialists in the field.

Mr. Joyce: Mr. Chairman and Mr. Eakins, the date the original completed application was received, plus the date various required approvals for processing were received, are all recorded on the submission posts of the board of directors. If there are any unusual delays the board checks into the matter.

Every incentive is used to ensure that it gets through quickly and, as the minister says, normally we're writing and rewriting to get the information in order to expedite the application.

Mr. Rodgers: Because our internal information system reports to me monthly, I see every application which is submitted. I learn how long it's been handled and I consult with each of the directors about the length of time, if it looks too long. It's followed very closely.

You can agree that sometimes it's a little long but we're working at long distance and the other things that have to come about before we can get it to a board take time. But we do have a real follow-up system on it.

Mr. Eakins: Yes, okay.

What part does the number of employees play in the approval of applications? Does the number of employees whom the applicant is going to hire play a large part in the approval of a loan?

Mr. Joyce: There's only one factor we look at, and that's the creation of employment, not the number of employees that a firm has at the moment, except to qualify it for a small business loan versus an ordinary loan. The amount of employment it will create is one factor that's taken into consideration.

Mr. Eakins: Have you followed up some of your past approvals? How do they stack up today? Are they following the commitment through or are some of them lagging on this? Are there a few of them who take you for a ride by not coming up with the number of employees they promised?

Mr. Joyce: There are some that don't. A survey was done last summer. I don't know whether the figures are in this group or not, but I recall that a survey of 750 firms showed they are over the target for employment by a very substantial amount. My recollection, Mr. Eakins, is that the target at the end of the first year was about 10,000 employees, and they reached approximately 15,000 or 16,000.

Mr. Wildman: Is that the total of all the different types?

Mr. Joyce: This is a sample of about 750 loans of various types.

Mr. Wildman: How often do you survey it?

Mr. Rodgers: Once a year. In relation to the number of jobs we look at, too, is cost per job. According to a recent survey that the minister mentioned earlier, our corporation stacks up fairly well to other development agencies in the country, at a cost per

job of slightly in excess of \$2,000. This is very low compared to other areas.

Mr. G. I. Miller: That is \$2,000 across the board?

Mr. Rodgers: Across the board, yes.

Mr. G. I. Miller: To provide one job?

Mr. Rodgers: Yes.

Mr. Eakins: I notice some plants are foreign-owned and the majority are Canadian owned. How do you determine the extent of the assistance to branch plants or foreign-owned plants?

Hon. Mr. Bennett: It is very straightforward, Mr. Eakins. I have been around the world looking for foreign investment. I consider it if a foreign company will come here and provide jobs, as happened in Cornwall with an Italian company that provided 150 jobs for Canadians. Assistance is considered if it will work by the rules and regulations of the federal enactment of a charter and under the Business Corporations Act of Ontario for his board of directors and so on. I must admit the Italian people have all taken out applications for citizenship so they will eventually, I guess, become citizens of the country. You cannot be for and against foreign investment.

Mr. Eakins: No, I am not saying that. I am just asking about the basis of assisting applications. I notice some in the list we have here are foreign-owned, and some are Canadian-owned.

Hon. Mr. Bennett: We want to know whether it offers new technology, advancements, innovations; whether it is a competitive product to a Canadian manufactured product that is already here. If it is, it is likely not to get consideration. We want to know what it is going to do in the way of stimulating employment, whether the company will continue research and development in this province. In other words, we expect a foreign investor to bring more advantages to the marketplace than a Canadian investor.

Mr. Joyce: We are tougher with them.

Hon. Mr. Bennett: We are a little tougher with them. We make them be very specific about a great number of things. Some say we shouldn't have foreign investment; you can't have it both ways. I listened to Mr. Cassidy last week talking about our harshness with foreign investors and I heard him talk about not wanting foreign investors. I mean, he wants the best of both worlds. He wants to be encouraging to the companies but he doesn't want us to invite them.

Mr. Eakins: I was interested in the criteria you used as far as the products and the competition went.

Hon. Mr. Bennett: We look at what they can really do for the province and the community. Some of our criteria are along the same lines as FIRA. What is the end contribution to the Canadian welfare?

Mr. Eakins: Right. One of the things I think I was discussing the other day was the industrial parks program. How many industrial parks programs are under way at the present time?

Hon. Mr. Bennett: There are about four, I think, and we have applications for an additional nine or 10. Some of them are held up in OMB and in zoning changes to accommodate their industrial zoning requirements. Of the four, only one decided to go ahead without our assistance. They made application to us and it had been approved, but for reasons best known to themselves, they decided to go ahead entirely within their own financial limitations of the corporation. But the Sault, Brockville, Perth and—

Mr. Joyce: Perth finished it on their own.

Hon. Mr. Bennett: Perth is one that had gained approval and then decided to go on their own.

[12:00]

Mr. Joyce: Sault, Kingston and Renfrew are all approved.

Hon. Mr. Bennett: Pembroke is under the development program for Renfrew county.

Mr. Riddell: Are these industrial parks all owned by the government?

Hon. Mr. Bennett: Owned by the municipal governments.

Mr. Riddell: Is Huron industrial park the only only in Ontario that is owned by the provincial government?

Hon. Mr. Bennett: No, we've got one in Cobourg too.

Mr. Wildman: And Edwardsburgh, of course.

Hon. Mr. Bennett: No, he's talking about one that's functioning.

Mr. Joyce: They are just preparing the land down there.

Mr. G. I. Miller: All industrial park development comes under your ministry, though, does it?

Hon. Mr. Bennett: No, hold on. As a government we own two industrial parks, the one that's in your riding, Jack, and the one that's in Cobourg.

Mr. Joyce: And we have some land in Sheridan Park.

Hon. Mr. Bennett: Yes, I think we have a very few acres of land that we still own in

Sheridan Park, which eventually will go into research use of some nature.

Mr. Eakins: There're just two things—

Hon. Mr. Bennett: Let me just finish.

Mr. Eakins: Go ahead.

Hon. Mr. Bennett: I want to tell you one thing. I really don't think we should own those two industrial parks. They should be owned either by the local municipality or by the private sector. The ministry is always in hot water. If an industry goes into either one of the parks, I have John's community saying, "Why did that industry go into your industrial park in Cobourg? Why didn't it come to us?" And as hard as I try to convince him that we didn't persuade them to go into our industrial park, his industrial commissioner says, "I don't believe you. You're looking after your own welfare first; and that is keeping your skirts clean by keeping your park full." Eventually I think we should get them out of my ministry—maybe into Government Services, but the hell out of Industry and Tourism.

Mr. Eakins: I'm hoping that you'll have an application shortly from Lindsay for this; they're working on this at the present time. I also represent Haliburton county, and we discussed whether a county could be considered as a municipality. The hangup, of course, is which municipality will be the recipient. If these things can be worked out internally, would your ministry consider a county as being a municipality?

Hon. Mr. Bennett: I would see no objection to it, providing they've been assigned industrial responsibility by the members of the county council. They would then be eligible as a local government to make an application to the corporation. Where it sits, thank goodness, will not be my decision. They will come in and tell us where they want to put the industrial park. If it meets with our criteria for zoning and everything else, and the Minister of Agriculture and Food agrees to it, then we're all set to go.

Mr. Eakins: These things have to be developed and tried; I realize that.

Hon. Mr. Bennett: It would be like a county council trying to decide whether it's going into one township instead of another township.

Under the Development Corporations Act, section 12(8) states: "In this section 'industrial undertaking' includes an undertaking by a city, town, village, township or county or a regional district or metropolitan municipality to encourage or assist in the development and diversification of industry." So it's pretty well all-inclusive.

Mr. Eakins: Many people, especially those in the small business sector, are not too clear about some of your programs. One of the other speakers mentioned assistance for other types of businesses. I think Mr. Haggerty suggested there should be assistance for the construction industry and this type of thing. The program mainly is geared to tourism or manufacturing, and I wonder if your brochures are pretty definite in outlining the criteria.

Hon. Mr. Bennett: I think they are, but we also like to think that the brochures have a degree of flexibility so that if a man is in a borderline situation, you can sit down and discuss it and see whether he could qualify.

One of the big problems I encounter as the minister is that an individual will try to determine whether or not he qualifies without ever talking to anybody. He rules himself out of the ballpark before he even discusses it with his local industrial commissioner, our local representatives or people here in the ministry.

Mr. Eakins: I refer them all to Mr. Williams—

Hon. Mr. Bennett: You should do that, because sometimes they are not assessing it in its proper context related to the legislation. Mr. Joyce reminds me there are other times when we can help them in other ways than just with financing.

Mr. Eakins: I refer many people to Mr. Williams in Peterborough and, of course, he's most helpful.

Hon. Mr. Bennett: Let me only add that what I would suggest strongly is that you recommend them to come to see us. We'll be glad to meet with any of them.

The program, again, is meant to assist the small business community. I repeat what I said the other night, that the most difficult thing we have at government levels, whether it be at this level, the federal level or any other, is how do you get the message through to the man who doesn't belong to any service club, any board of trade or any other service organization, where he's working from 7 or 8 o'clock in the morning until dear knows what time in the evening, in his garage or in any other type of operation, and just doesn't read the information we send him, whether federally, provincially, or municipally and the only thing he's aware of is what he hears?

That's why we're strongly recommending that we get into further radio advertising to try and gain his ear and his inquisitiveness to come and inquire from us what we can do for him.

Mr. Eakins: I think that's all I have to say

at the present time. Perhaps some of the other members want to speak. What time have we left?

Mr. Chairman: We have three minutes left, Mr. Eakins, and I have Mr. Turner wishing to speak and Mr. Riddell, if they can do it within three minutes. Are you all through?

Mr. Eakins: Certainly, anything to assist Mr. Turner; he's my neighbour.

Mr. Chairman: Thank you very much.

Mr. Turner: You're very helpful, John. Thank you.

Mr. Eakins: I like to help out Peterborough.

Mr. Grande: Do you think I can share one of those minutes?

Mr. Turner: Just let me get going first.

Mr. Chairman: They become precious when they're scarce.

Mr. Turner: When I was first elected here in 1971 you were operating under designated areas which were eligible for performance loans at that time. Peterborough, unfortunately, was not included as a designated area and had always had a growth rate less than the provincial average. When we were included in the new Eastern Ontario Development Corporation I want you to know we were very enthused about it. Both the county and the city I think have taken advantage of the program.

However, I would suggest to you—this has been mentioned before, but just to reinforce it—there seems to be a very broad misconception in the public mind, and perhaps in the ministry's mind to some extent, about the definition of small business.

Almost on a daily basis I have people operating various types of small business who aren't eligible for funding under the corporations' programs. I would suggest to you that one of the areas that perhaps may have to be taken a look at in the near future is the service industry. I think you have been quite definite on your statements. However, I think I would suggest to you that the growth factor in the service industries might be more significant in the future than it is in the manufacturing industries, and I think perhaps this area is going to have to be rethought.

Also, if I may refer to one specific instance, an area where your corporation and your ministry has been most helpful is the worker group for the chain-saw company. You're going to hang your head in shame, but I want you to know—

Hon. Mr. Bennett: It's the confusion, for one thing.

Mr. Turner: Perhaps when they're trying

to find something out there is confusion and there is delay, but I want you to know that this, in my mind, is a uniquely Canadian product. It was bought by Outboard Marine Corporation from Engineering Industries out in British Columbia; the whole thing was picked up bodily and brought into the Outboard Marine plant in Peterborough. Unfortunately, for whatever reason, Outboard Marine has not been able to market successfully the Pioneer chain-saw and so they have decided to give up the manufacture of it. This has meant a loss of 450 jobs in Peterborough.

The employees got together and formed an organization to try and salvage it and have an employee-owned company. I might say things are looking optimistic in this area—maybe they will not preserve 450 jobs, but they might have as many as 200.

I want you to know that any time I have called upon your people, and indeed yourself from time to time, they and you have been most helpful to me and to the area. Obviously, we haven't always got what we wanted, but I would just leave one thought in your mind, Mr. Minister, this government from time to time talks about decentralization—and I can see people wince and eyebrows shoot up here—but I would respectfully suggest that if we are serious about decentralizing certain ministries or certain parts of ministries, the city of Peterborough has unique advantages for the relocation of the Ontario Development Corporation. With those optimistic words, I shall close off and thank you very much.

Hon. Mr. Bennett: I would have gone for a ministry with a great deal more employment than what my little insufficient numbers offer.

Mr. Turner: It is a start.

Hon. Mr. Bennett: True. I was going to say that in our participation with you in Pioneer Saws, when I said it was confusing I meant that any time you are trying to find out all the odds and ends that come from more than just Canadian sources there is a degree of confusion. I think the community's participation so far has been good. I just wish some people at the head of certain corporations would be a little more trustworthy of what government's trying to do.

Mr. Turner: I think this is changing.

Hon. Mr. Bennett: I hope it is. I think we might find a solution to that problem. I'm not going to be overoptimistic because I don't wish to bring people's thoughts up to a height and then, all of sudden, let them fall. Peterborough is one we worked closely with. We've made a number of loans, and I think a number of them have been benefi-

cial, to Nashua Paper and a few others down there. I think the diversification of some of their industrial operations has helped to stabilize their employment—I didn't say the community's employment—and their operation.

May I conclude for I realize we are at the end of 15 hours of review of the Ministry of Industry and Tourism and I realize Mr. Riddell, Mr. Grande and others might have questions relating to my ministry.

Mr. Grande: We got cut off the other night.

Hon. Mr. Bennett: I didn't cut you off at all. You just didn't know your right place. That was the biggest problem you had.

Anyway, I just want to say that the interest by the members of the opposition party and by the members of the party I represent, the Conservatives, is always welcome. The ministry people who assist the development of industry and small business in the province, tourism included, were here to try to resolve your problems, whether they be directly with your constituencies or in the area that you are looking after within your political parties. If at any time we can be of help to you, if there is any information you need, as Mr. Eakins, Mr. Wildman, Mr. Turner and others have said, we will help. I appreciate the complimentary remarks because we hope we are a ministry which is known for its service, not only to the political arm of the government but also to the community which we are supposed to serve.

As I said the other day, Mr. Eakins, we

welcome you and your tourist committee from the Liberal caucus to come over and sit down with Mr. Boyer and other people to go over our entire program. Judge it as you will, but at least you'll have the background. When you go out on tour in this province, people can't start telling you that this isn't happening and that's not happening. You will know what is happening and you can draw your own conclusions from a knowledgeable point of view from both sides of the fence.

I say that to the NDP representatives also. If they wish to come over, we will be prepared to sit down and go through the various programs. That is our function. I think before I became minister the ministry operated effectively in that area. I'm proud and pleased to say it has continued; I think maybe it has expanded somewhat.

I thank you for the time we spent in the last 15 hours. I hope it has been informative. I hope as time goes along if there are further questions on programs or suggestions and improvements to the programs and plans we have in the ministry, even if we cross political lines you won't hesitate to suggest them so that we can develop a better and more economical province of Ontario.

Mr. Chairman: Thank you, Mr. Minister. We have spent 15 hours and six minutes on the estimates.

Vote 2207 agreed to.

Mr. Chairman: This completes the estimates of the Ministry of Industry and Tourism.

The committee adjourned at 12:16 p.m.

CONTENTS

Wednesday, November 9, 1977

Small Business Development Program	R-723
Ontario Place Corporation Program	R-724
Industrial Incentives and Development Program	R-727
Adjournment	R-746

SPEAKERS IN THIS ISSUE

Bennett, Hon. C.; Minister of Industry and Tourism (Ottawa South PC)
 Bolan, M. (Nipissing L)
 Eakins, J. (Victoria-Haliburton L)
 Grande, A. (Oakwood NDP)
 Havrot, E.; Chairman (Timiskaming PC)
 Lane, J. (Algoma-Manitoulin PC)
 McKessock, R. (Grey L)
 Miller, G. I. (Haldimand-Norfolk L)
 Ridell, J. (Huron-Middlesex L)
 Turner, J. (Peterborough PC)
 Wildman, B. (Algoma NDP)

Ministry of Industry and Tourism officials taking part:
 Joyce, J. H., Chairman, Ontario Development Corporation
 Maxwell, J. O., Director General, Ontario Place Corporation
 Radford, N. R., Executive Director, Small Business Operations Division
 Rodgers, D. M., Managing Director, Ontario Development Corporation
 York, P. A., Assistant Deputy Minister



No. R-28 and R-29

Legislature of Ontario Debates

Official Report (Hansard) Daily Edition

Resources Development Committee

Estimates, Ministry of Agriculture and Food



First Session, 31st Parliament

Thursday, November 10,
and Monday, November 14, 1977

Speaker: Honourable John E. Stokes

Clerk: Roderick Lewis, Q.C.

CONTENTS

A list of the speakers taking part in the debates in this issue of Hansard appears, in alphabetical order, at the back of this issue.

Daily contents of proceedings also appears at the back of this issue. Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff. Phone 965-2159.



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LEGISLATURE OF ONTARIO

THURSDAY, NOVEMBER 10, 1977

The committee met at 11:25 a.m.

ESTIMATES, MINISTRY OF AGRICULTURE AND FOOD

Mr. Acting Chairman: I will now call the meeting to order.

Mr. Riddell: Mr. Chairman, I would move that we adjourn the debate on these estimates until Monday owing to the fact that there are two bills being debated in the House this morning, one of which is an agricultural bill which I feel I should be attending since I am the Liberal agriculture critic, and I also think the Minister of Agriculture and Food should be in attendance for that debate, because it does have to do with the establishing of a food terminal in northern Ontario. I would move that we adjourn this debate and reconvene on Monday.

Mr. B. Newman: We may not be sitting on Monday, I don't know, but at the next officially scheduled sitting.

Mr. Lane: Mr. Chairman, as there are matters of interest to all of us going on in the House this morning and we do not have a quorum here, and as it is already 11:30 I think I would support and second the motion the hon. member has made.

Hon. W. Newman: Mr. Chairman, I would like to make one comment: I have no objection to adjourning at all, I would just point out the time frame and the time constraints on the estimates committee. I geared my schedule for the full 20 hours. The next day I have a meeting with the Milk Marketing Board and the Amish—the next morning; that will be Friday the 25th, I believe.

Mr. Riddell: There is always the possibility that we may not have to spend 20 hours in these estimates; we don't know at this particular time. I really think, with the two other important bills being debated in the House this morning, that it is our obligation to be there.

Mr. Acting Chairman: Mr. Minister, I would be inclined to agree with the members because I think, in all fairness, by the time we get into deliberations there would be one slipping out, another slipping out and you would probably wind up with hardly

anyone here. Those bills coming up are very important.

Hon. W. Newman: Maybe we'll finish today then.

Mr. Acting Chairman: I would accept the suggestion by the member that we adjourn as of now.

Hon. W. Newman: May I just make one more comment? Maybe the NDP agriculture critic might have something to say. It has been suggested we adjourn because of the importance of the debate in the House. Of course, I have no objection. It has been moved by the Liberal agriculture critic. What is your feeling?

Mr. MacDonald: My feeling is that that is an inevitable consequence of the insanity with which we are operating around here, starting so late in the fall we haven't got time to schedule our committees without competing with other very important things. That is an inevitable consequence of starting so late in the fall, so we are sitting for about our 42nd day this year, which is ludicrous.

Hon. W. Newman: Mr. Chairman, if the member wants to make a speech, I'll make one too, pointing out that this is rather unique today because of the holiday tomorrow. It would not normally happen; normally we would not be sitting here while the debate is going on in the House on a normal week. I think whatever you say on that matter is fine, but as far as I am concerned this is a unique situation and normally would not happen.

I am just asking for your comment. I am asking if you want to adjourn now or continue?

Mr. Acting Chairman: I think there is a resolution before the Chair. The Chair will accept the resolution. All those in favour? Opposed, if any?

Mr. MacDonald: How can you have a vote when you don't have a quorum?

Mr. Acting Chairman: All I am saying is that this is the consensus. There is no sense in your coming in here and giving a speech that doesn't even concern what we're discussing.

The committee adjourned at 11:33 a.m.

LEGISLATURE OF ONTARIO

MONDAY, NOVEMBER 14, 1977

The committee met at 8:06 p.m.

ESTIMATES, MINISTRY OF AGRICULTURE AND FOOD

Hon. W. Newman: Mr. Chairman, members of the committee, most of you having been here before for my estimates, I have kept my opening remarks fairly brief because I am sure you want to get into the meat of the estimates tonight, to ask questions over the next few hours and the next few weeks.

For this fiscal year, the Ministry of Agriculture and Food has estimated its budget at \$192,458,000. A good portion of it has already been spent, of course, as you know by now.

I should like to say at the outset that I regard the money voted for expenditure in agriculture as one of the best investments the government makes in the people and resources of this province.

One of the soundest investments is the one we make in our young farmers. Through four agricultural colleges and the University of Guelph, we intend to invest this year about \$4.5 million to educate the farmers of the future. We get an excellent return on this expenditure; more than half of the graduates go into primary agriculture, while the rest are readily employed in related industries and services. To further assist young people just starting out in farming, we make available guaranteed loans for people between the ages of 18 and 35.

We invest in other aspects of the future as well. To keep Ontario in the forefront of agricultural production, the government is committed to a comprehensive research program. This year we have budgeted nearly \$18 million. This will be spent in everything from feed research to pesticide evaluation. I feel that money spent on research now will pay big dividends in years to come, as it has in the past. As you are aware, the Ontario Agricultural Research Institute oversees our research program to ensure that individual projects are in fact yielding promising results and to ensure that this budget is spent wisely.

I should like to review briefly some of the

direct services my ministry provides to primary agriculture—that is, to the farmers of this province.

Prominent among these is the beef calf stabilization program, for which we have set aside \$16 million this year. The way things have been going lately, this program is becoming more and more essential in our efforts to maintain a healthy beef industry in Ontario.

While beef prices are looking a little better at the moment, they have generally been low this year. This can be traced directly to imports flooding our market. However, it seems that the federal government is at last getting the message. The federal Minister of Agriculture has said he will introduce a tough beef import law, and not a moment too soon, in my opinion. For this I am very grateful to Mr. Whelan.

Earlier this year the Legislature passed legislation providing for the establishment of stabilization plans for other products of Ontario agriculture. I am happy to say that the first plan, one for grain corn, has been established; but payouts, if any, will not be made until the next fiscal year. That is why our estimates show only \$1 in the stabilization fund. I am expecting other plans to be established over the coming months.

Another extremely useful service to agriculture is crop insurance. Goodness only knows this year we know just how important it really is. Over the years this service has become very popular with our farmers. This year's endorsements reach a level of over 26,000, up more than 3,000 from last year. We added three new crops this year: Hay and pasture for one year only, together with peppers for processing and black tobacco. For the coming year we are adding winter barley.

As you know, the province does not contribute directly to the insurance fund. Instead, we pay the administrative costs, including commissions to salesmen. These costs will run about \$1.8 million for 1977-78.

One of our largest individual programs is tile drainage. This program is geared to the individual farmer. He can get a 10-year loan from his municipality for up to 75 per cent of the cost of installing drainage tiles. He

pays six per cent interest on his loan and the province pays the difference. We originally budgeted \$18 million for this program, but with the employment incentive program brought forward by the province, an additional \$2 million has been added from the rural employment incentive program.

Last year for the first time we placed a ceiling on the amount to be made available to municipalities. We will continue that policy this year. We expect the interest subsidy on this program alone to amount to \$3.8 million.

The government also provides grants equal to one-third the cost of municipal drainage outlets that serve the farm drainage systems. This year we are asking for \$7 million, up slightly from last year. Drainage projects this year may be affected by the heavy rains we experienced earlier this fall.

For capital grants to farmers, we are allocating \$10 million. Last year we allowed \$7 million, having shaved \$3 million in keeping with the government's restraint program. Capital grants pay part of the farmers' costs of constructing various installations such as barns, silos, ponds, and many other functions. They form a very important investment in our agricultural infrastructure by helping to keep the physical plants up to date.

I mentioned the rural employment incentive program a moment ago. We have set aside this year \$7 million for this project; \$2 million has been allocated, as I said, to the drainage program, and the other \$5 million was in the ARDA budget. Grants are paid from this fund to municipalities so that they may hire people for municipal projects which would normally not be undertaken. The municipalities have been most enthusiastic about this program. We estimate that this program represents about 171,000 man days of employment, covering work periods of between six weeks and two months and involving many young people.

As you know, this program is pretty well wound up, as normally our estimates would be on a little earlier.

Last year, as you know, we negotiated a two-year extension of the ARDA program with the federal government. The provincial government believes very strongly that a new rural development agreement is needed to meet the agricultural conditions of the 1980s and to further advances made by ARDA over the years. We are at present participating in a joint federal-provincial working committee investigating the possibility of a new agreement on rural development. Over the years, ARDA has proved its worth with such projects as the farm consolidated pro-

gram, community pastures, and the forest employment program.

Of course we can devise many programs to assist farmers, but the most important person in any farmer's future is the consumer, the person who buys the products of his land. To expand the all-important domestic market, we will be undertaking a food promotion campaign which I will launch at the Royal Agricultural Winter Fair—that was to be made last Friday, as you know, and this morning we launched that program at the Royal Agricultural Winter Fair with Foodlands Ontario. I recommend you all go and have a look at it. It is a much better promotional program this year than ever before, with 22 of our commodity boards involved in the program as well as the ministry, and we have had a great deal of help and support from the board of directors of the Royal Agricultural Winter Fair.

The whole purpose of this program is to try and tell the people of Ontario what are Ontario products and the quality products we have and how to identify them in stores. This is what we are working on. If you see the button I am wearing, that is the symbol we will be using. Some of our chain stores are already using this symbol to promote Ontario products. In the weeks and months ahead we expect and will get co-operation from the chain stores on this endeavour. The Premier (Mr. Davis) and I met with the various chains six weeks ago and they have all offered their co-operation for this promotional program.

I should like to close my remarks by making brief mention of the employees of my ministry who carry out the programs I have just outlined and a good many more as well. Since 1975 we have been working with a reduced staff, but I am very pleased to say that because of the willingness of the ministry staff to take on extra duties, the programs of the Ministry of Agriculture and Food have not suffered.

With those few remarks I'll leave it at that. We have many other programs in the ministry, many other commitments in the ministry, and we do many things. I am sure as we go through the estimates vote by vote we will get into these various aspects.

Mr. Riddell: I will be making some brief comments on the minister's opening remarks and a little more lengthy comments on the preservation of agricultural land and the so-called green paper.

I am glad that the NDP critic has finally joined us. I am a little surprised he is not wearing this button which is supposed to be symbolic of the food that we produce in

Ontario, but I think, Mr. Minister, you will see that he gets one before the evening is over.

Hon. W. Newman: We are getting them printed.

[8:15]

Mr. MacDonald: Just look after your own problems.

Mr. Riddell: I was beginning to wonder if the NDP were going to show up at all at this meeting. You notice the Liberals are well supported with good farm folk.

As Mr. MacDonald indicated at the brief meeting on Thursday, there is something to be said about the planning that goes on around this place. We were supposedly starting the Agricultural estimates on Thursday when there was an agricultural bill coming up in the House; now we are going ahead with the estimates at the time that the Royal Winter Fair is on.

I'm critical of this type of planning. I realize that you have not got too much to do with the day-to-day work of the Legislature but I would think that you would have some influence on the House leader to try to plan these things so they do not conflict with other agricultural events that are going on. I would certainly like to attend these, as would most of the members representing rural ridings, and I would hope that you would go back to Robert Welch and tell him that he has scheduled these estimates very poorly, to say the least.

In connection with the Royal Winter Fair I believe that this government contributes something like \$100,000. I would like to ask the minister whether he is given a pass to get into the Royal Winter Fair?

Hon. W. Newman: Yes.

Mr. Riddell: It is rather odd to me that the critics of the opposition parties are not given passes. We certainly help you to shape policy to a certain extent. We are part of the government.

Mr. Nixon: We even wrote some of those pills last year.

Mr. Riddell: That's for sure. I checked with all my colleagues and not one of them received a pass into the Royal Winter Fair.

Hon. W. Newman: I'll see that that is taken care of. May I point out that I left my own at home this morning and I had to borrow the deputy's.

Mr. Villeneuve: That same situation exists with the government members. At one time they were a little more generous but I don't know whether there is an austerity program or not. They have cut them out.

Mr. Nixon: They can make everyone pay.

Mr. McKessock: It's a wonder they didn't ignore your deputy.

Mr. Riddell: You mentioned the foodlands display at the Royal Winter Fair, and I am going to ask if you are happy with the exhibit by the Ministry of Agriculture and Food. I know that you press a button and something lights up on a TV screen and indicates what percentage of Canada's production comes from Ontario. But you might also notice the other province that has a display there have three people manning that display. They are actually giving out some of the produce. At our display no one is there to answer any questions.

I would think surely that with all the staff you have, somebody could be around that display answering questions that people may have. It may not be a bad idea, Mr. Minister, if you were to spend a bit of time answering some of the questions that people undoubtedly would have about Ontario's production. So, I am not completely happy with the display, particularly when we are trying to promote Ontario's agriculture.

I will say that the commodity boards are doing their share. But I am not too sure that we should be leaving it all up to the commodity boards to be promoting Ontario's produce. I would think that the Minister of Agriculture and Food should have a bit of a stake in that promotion program as well.

When talking about promotion, I would like to talk a little bit about your \$1 million massive advertising and promotion campaign in order to get consumers to buy more Ontario-produced food. I know that about \$300,000 of that money will go to the boards and councils which want to promote their individual commodities. The government in most cases will be paying for about 25 per cent of those costs. In special cases, such as a project to promote consumption of a commodity which has not been selling well, the government will pay about 50 per cent.

I am wondering what kind of co-operation you are getting from the chain stores. An article I have here indicates that chain stores contacted by the Ministry of Agriculture and Food have agreed to devote more visible displays and more shelf space to Ontario food under the program. Are they doing this?

Mr. Gibson apparently admitted—he's with your department, isn't he?

Hon. W. Newman: No, he's with a consulting firm.

Mr. Riddell: Oh, yes, right. He admitted there could be a problem with some stores

using the campaign symbol to sell imported goods. Are you concerned that such a problem may well exist and if so, what can one do about that? But most of the \$1 million that the government will spend will cover costs of radio and newspaper advertisements. The only ad that I've seen to this date is one that appeared in the *Globe and Mail*. Oh, it's kind of a half-decent ad but it certainly is the only one that I have seen. Is this program just getting started?

Hon. W. Newman: Yes.

Mr. Riddell: So we'll see a lot more of this from now until spring of next year? Okay.

In connection with your mission to Australia, I'm wondering what you accomplished. Apparently you wanted to go to Australia to tour some of their fruit orchards and their cow pastures to see first hand what lies in the future for Australia beef and peaches.

Mr. Sweeney: In the cow pastures?

Mr. Riddell: You indicated that you wanted to tour areas in Australia where they are clearing vast areas of rich land for raising cattle. You said that Australia is the only major beef producing country in the world that has not reduced its cattle herds during the past few years, "and I want to find out why."

What do you mean you want to find out why? If Australia wants to produce beef, there is nothing in the world that you're going to do with any kind of a trip over to Australia to talk them out of it, as far as I'm concerned. I'm just wondering what really was the purpose.

Was it kind of a side trip? Did you have an interest in Australia other than fruit orchards and cow pastures? So maybe you can comment, when you have a chance to respond to our remarks, about your trip to Australia and what you actually did accomplish. Did you sell? Were you able to find some tobacco markets in Australia that apparently we once had and now don't have? Or what other markets were you able to find in Australia that might be of help to Ontario's agricultural industry?

I was kind of amused back at the time of the last election when Premier Davis came up with this idea of growing nuclear tomatoes. In other words, you are going to establish greenhouses up at Douglas Point. Apparently this was the brainchild of the local land developer, Sam MacGregor, a chap who ran against Murray Gaunt in the last election. Boy, if you people thought that was going to get Sam MacGregor

elected—surely you know that Murray Gaunt is a legend in Huron-Bruce—

Mr. Nixon: Whatever happened to Sam?

Hon. W. Newman: All the more reason for us to do it in his riding.

Mr. Riddell: —and to come up with these kind of gimmicks. If you are going to go ahead with this, I would like you to tell me what it is going to do to the greenhouse growers down in the Leamington area, if you are going to put 400 acres under glass up in the Bruce area. Sure they'll welcome it up there—there is no question about it—because they have had a hard time keeping their industry with the amount of money that Ontario Hydro is paying the employees working at that Douglas Point project. There is just no possible way that anybody can compete with that. The industry in that area has certainly been declining, and I know they would welcome something like this. But I would also like to know what the greenhouse growers in Leamington are going to think about this project, particularly when they encounter some difficulties in finding markets for what they are now growing.

I would like you to comment on that project. Where does it stand at the present time? Apparently there was supposed to be some kind of a committee studying it and they were supposed to be making some kind of report in November. I am wondering if this report has landed on your desk yet and whether you really are seriously thinking of putting greenhouses up there to use the waste heat. If you are, how much of that waste heat will actually be used in the greenhouses and the fish ponds that you are talking about building up there? So some comments in connection with your nuclear greenhouses would be welcome.

Speaking about gimmicks, there is an article I have here entitled "Queen's Park Accused of Ignoring EMO Plan." I quote:

"The president of the Rainy River Federation of Agriculture says 'The provincial government is just playing games right now with the federation's proposals for a multi-million dollar land clearing and drainage program.' Early in April Telford Advent presented the federation's brief to agriculture minister William Newman, requesting that a program for the clearing and drainage of 150,000 acres be undertaken in Rainy River district.

"At that time, Advent said, 'Newman was quite pleased with the report which outlines the agricultural potential for the district, including the creation of an estimated 40 jobs and up to \$50 million in spinoff develop

ments. Ontario Treasurer Darcy McKeough also gave his blessing to the program. However, since April the program has languished in the Ministry of Northern Affairs' says Advent. "They are going to study it to death," he said in a telephone interview.

Mr. Wildman: A lot of things are languishing in that ministry.

Mr. Riddell: "Advent said at the last meeting he had with Northern Affairs officials they were considering other programs instead of the land clearing proposal, including a drainage and fertilizer program. 'We know they have something on paper but they have never disclosed anything he said. 'I still think there is something coming, but I haven't heard boo.'"

So are you going to go ahead with that program? You expounded so much on the potential in the north when we were dealing with that bill on Thursday. You talked about all the potential there was up there and you were going after the opposition members for being a little critical about what they can produce.

I don't think we are critical about what they can produce there, but we also must remember that because of the heat units there are some things they can produce and there are other things they can't produce. If we are talking about hay and grain then I am prepared to admit that they can probably put up better hay crops than we could down in this part of the country.

But we have to be realistic about it too. The fact of the matter is they simply do not have sufficient heat units to grow fruit and vegetables. That is why I questioned the justification of a food terminal in the north. If it is going to help out agricultural production in the north country I say let's go ahead with it, but here it would appear that you are also playing games with any further drainage work up in the Rainy River district.

You talked about crop insurance in your opening remarks. And, boy, if anybody ever let crop insurance off the hook this year it was either the bean board or it was your ministry. I am going to tell you, we haven't heard the last of what is going to happen. It is my understanding that the dealers' association held a meeting in England and they were told by a member of the bean board the price they would have to pay for the beans and that they were to go out and sell all the beans they could sell. I checked this with one of the dealers who was well aware of what went on at that meeting.

They went ahead and sold the beans—and you know the kind of year we have had. We just haven't been able to get the beans

off. There is no way the farmers should have been expected to muck around with these expensive bean rowers and combines. But they had to do it because the crop insurance agent said, "I'm sorry, the standards have been lowered on these beans. You have simply got to get the beans, come hell or high water." The sample of beans that was going into the elevator—I had a sample with me on Thursday and I forgot to bring it today.

[S:30]

Hon. W. Newman: Yes, I saw it.

Mr. Riddell: I did an assessment on those beans myself and those beans were somewhere between a 40 and 50 per cent pick. Do you know what pick the farmer got? He got four per cent. And those beans went into the elevator.

It is my understanding that about 80 to 85 per cent of the beans we produce are exported to Britain, and if you can tell me that Britain is prepared to accept that number five bean I will be awfully surprised. I think these beans are going to land right back in the hands of the bean board—and, of course, you know what comprises the bean board. These farmers are going to be stuck. They will probably get their initial payment of about \$7 per hundredweight and that will be the end of it. They paid \$6 an acre to insure those beans, and the crop insurance should have paid them the \$15 per hundredweight, but there was no way that the farmers would collect a cent. The insurance people said to them, "The board of grain commissioners, or somebody, lowered the standards, changed the rules of the game," and those farmers had to go out and literally muck around to get that 40 to 50 per cent pick sample of beans. I would dearly like to know what is going to happen to all those beans of the number four and number five classification when they start to empty elevators in the spring. Somebody has let the crop insurance people off the hook when they were prepared to pay for these beans.

I know the beans were oversold. There were something like 850,000 hundredweight sold and the bean board were most anxious to get those beans harvested. Who told the board of grain commissioners to lower the grade and accept the beans? The elevators were apparently told to run all these beans through and give them a very low pick; which they did. Boy, it is going to come back to haunt us. If you have never been at a hot farmers' meeting you should attend the one coming up in Zurich in February or March of next year. It will be hot, I'll tell you.

I'm concerned. I think the bean board is bordering on the brink of going under. The crop is in trouble, as you well know. I think the bean board is trying to exonerate itself of any of the responsibility. I got a copy of a telegram saying that in the view of their solicitor they couldn't be held liable for the beans that were oversold by the bean dealers. I have a feeling the board is in trouble and I would like to know what you are prepared to do to save our bean industry. If some of these dealers go bankrupt, and if we end up with the reputation that we can't live up to our commitments, then I am afraid our bean industry is in serious trouble. And I would like to know if you are taking some steps to try and save it.

This rural employment incentive program—is that the one where there was a subsidy given for farmers who hired—

Mr. R. G. Bennett: No.

Mr. Riddell: Okay. That is another one of those programs where I have had many farmers come to me after having hired young chaps to work on their farms. They were actually newly established jobs, but, boy, did they receive flak when it came to getting that subsidy. I have had all kinds of problems where the government has tried to renege on paying subsidies. They said that the farmer applied too late—there was one place on the application where you had to indicate whether the job would have existed without the subsidy. The farmer was denied because he was honest and ticked off "yes." The job certainly would have existed; if a farmer had miles of fence for somebody to fix, that fence was going to have to be fixed whether he hired somebody to do it or whether he was going to do it himself over a period of years.

However, the farmers did an honest job of filling out the application and then were denied the subsidy because they indicated that the job would have existed whether they hired the young chap or not.

Hon. W. Newman: May I ask you which program you are talking about? There was the rural employment incentive program, the Youth Secretariat program, the program announced by the Treasurer (Mr. McKeough), the "dollar an hour." Which one? The Youth Secretariat program?

Mr. Riddell: Right. I think if we are going to create these programs, then by golly, we should not make it tough. If the person goes along with it, creating jobs for some of these people, and then has to go through all this hassle in order to get the subsidy, there is something wrong. We would be far better off without the program.

Let's get back to some of this land business. The question of the preservation of agricultural land is not one of whether we are in imminent danger of starvation here in Ontario. We will probably always be able to buy food through world trade channels from somewhere else. However, we must look to the future. The adequacy of our food supply in the long run must be considered among our major concerns.

Subtle changes in climate which are now being predicted by climatologists could render our current land resources much less productive. Changes in the price of fertilizers would affect the productivity of the land. Food resources could become somewhat similar to oil resources now held by the OPEC countries, and food resources could become a vital part of the balance of payments of this province.

A major contributor in eroding agricultural land has been the urban shadow. Much has been said about the influence of urbanization on agriculture, but to date there have been very few facts available to permit an analysis of the potential and actual influences of urban centres on our prime agricultural land. However, a recent report of July 1977, done by lands directorate of the Department of Fisheries and the Environment, to explore the relationship between urban areas and high quality agricultural land, has shown that 53.5 per cent of Canada's class one, or best agricultural land, 28.6 per cent of Canada's class two land, and nearly 20 per cent of its class three land is located within a 50-mile radius of census metropolitan areas. In fact until 1971, 44 per cent of the total area of Canadian agricultural production was derived from land that lies within 50 miles of the census metropolitan areas.

The direct results of the influence of cities on the urban shadow has been abandoned farms left idle under speculation, and serious difficulties for those who have continued to farm. The report concludes that within 50 years much of Canada's farm land will be required simply to serve her domestic needs. Loss of the best farm land will require either its replacement by poorer land, which will involve higher costs, or a growing dependence upon imports which will affect the balance of payments.

Evidently, however, it seems that the minister does not feel that there is a problem, since so far we have little more than words from the government on the preservation of this vital non-renewable resource. The minister has taken to playing the numbers game to justify his position as stated in his press release of September 26, 1977,

that in addition to its large acreage in agricultural use Ontario also has a significant reserve of agricultural land available for the future.

The minister's data of September 26, taken from provincial assessment data, shows that there are 16.8 million acres of land in farm use in Ontario. He also includes the figure for land in reserve for future use. The reserve includes small-holdings, both residential and vacant, as well as land that has not been farmed for more than two years. The conclusions drawn by the minister to justify his position of significant reserves is ridiculous.

If we add the land now farmed, which is 16.8 million acres, with the amount which is supposedly in reserve of 19.3 million acres, we in Ontario should have a total of 36.1 million acres for food production. However, the report, "Acreages of soil capability classes for agriculture in Ontario," done in Ontario in 1975 by Douglas Hoffman of the University of Guelph, shows that there are only 16.3 million of class one, two and three land in Ontario. So, boy, you were really leading us down the garden path when you came out with this business of all the reserve land that there is in Ontario. Therefore, the minister's other 20 million acres of reserved land includes those acres that are class four to seven, areas in climatically unfavourable regions, and land that is too expensive to be farmed.

We now have the government's foodland guidelines. However, they do not constitute a departure from the land-use planning system which Ontario has had for the last 30 years, and which will obviously only work to the extent that the government is prepared to make them work, and be reflected in local plans. While they are a small step in the right direction, they are not by far a solution to Ontario's land problem. How far is the province willing to force these guidelines? No doubt, any municipality that seriously tries to put the guidelines into effect is in danger of putting itself at a disadvantage in relation to neighbouring municipalities.

Few municipalities are anxious to restrict growth, especially that which represents fat industrial or commercial assessment. No doubt any new or revised draft official plan will signal a struggle with the Ministry of Housing to get the urban boundaries drawn as widely as possible as a sort of insurance.

Many rural municipalities have no official plans at all. It will not be easy to impose the guidelines in the urban fringe. The guidelines will not be universally imposed

but will be done on a patchwork, piecemeal fashion. It is not even clear what the purpose of the guidelines is.

The ministry's report, "A strategy for Ontario farmland" states two objectives: To maintain a permanent, secure and economically viable agricultural industry in Ontario; and to preserve the better agricultural land in all parts of Ontario to assure for future generations an adequate supply of both food-lands and food. These two policy objectives are quite separate and do not necessarily require the same prescription. The guidelines will not achieve a substantial overall reduction in the erosion of our prime agricultural land unless they are applied universally, consistently and equitably throughout the province.

What have other organizations said about the guidelines? The Ontario Institute of Agrologists in a letter to the minister say that these guidelines are presented as something like parents telling their teenager to be home early without specifying the hours which qualify as early. The Bureau of Municipal Research's "Food for the City" conference report concluded that the government's policy as announced in the green paper will not be adequate to correct the decline in the amount of productive agricultural land for three reasons.

First, the guidelines will not, in fact, ensure that municipal planning decisions reflect a priority for agriculture.

Second, the guidelines offer no help to municipalities in evaluating the claims of agriculture against those of competing uses and, thirdly, they do not provide for any positive support to municipalities in imposing and applying them.

The Ontario Federation of Agriculture states that the government guidelines are not strict enough to preserve and protect farmland. Pollution Probe, in its brief to the government, labelled your farmland preservation policies as vague and impotent and argue that the guidelines represent only a baby step in the direction of farmland preservation.

We seriously doubt the commitment of the government to foodland preservation in view of past and present events. We have the example of the city of Barrie which has recently been awarded over 15,000 acres including 13,600 acres of class one, two and three land in their annexation bid before the Ontario Municipal Board.

It appears evident that the only opinion that matters in this case is Darcy McKeough's. The OMB begins its report by commenting "The board was advised by letters from the Hon. Darcy McKeough that

as a result of the report of the Simcoe-Georgian area task force development strategy exhibits four and five it was government policy that the board should order the annexation of an area that would provide for a population of 125,000 by the year 2011. The first question, therefore, is to consider how many developable acres would be necessary to support this population."

The admission of these letters as evidence in the hearings so prejudiced the cases being presented by the surrounding townships that the hearings had to be interrupted to determine the priority of such an entry. What can be more discouraging to townships involved in annexations anywhere in the province than to have a minister intervene to present evidence that will obviously favour the case being presented by the city?

[8:45]

Now, I ask you, where are the foodland guidelines? They are not mentioned in the OMB report. We did not see the Minister of Agriculture and Food send a letter to the OMB, expressing the view that the guidelines should be followed. If he were serious about them he would have done that. Why did the foodlands branch of the ministry not make comments on the annexation bid? If the government was really serious about its guidelines, the very annexation would be the perfect test for this.

How realistic is the population figure of 125,000? Even the Simcoe-Georgian area task force report recommended establishing a time-frame of 15 years, to 1991, at which time their own population projection was only 75,000. It is stated in the report that forecasting for a period of 15 years leaves open too many uncertainties. The official plans should, therefore, have two stages. A detailed stage to the end of 1991 and a more general stage ending in 2011.

It even appears that the OMB sees a population projection of 125,000 as unrealistic. On page three of the report it states, and I quote: "Taking the present population of Barrie and projecting it on a very favourable basis, Barrie's population would be unlikely to exceed 75,000 people by the year 2011."

Later in the report, the OMB also expresses the very interesting observation that it seems unlikely that Barrie will reach this growth level. If Barrie does succeed in this project of induced growth it will be one of the few successes to date in either Canada or Great Britain. With such doubt having been expressed it leads us to believe that the determining factor in the OMB's decision was McKeough's letter. We now realize the weight carried by such evidence and, accordingly,

one must sympathize with the townships surrounding Barrie that were forced to expend so much money defending their cases against this annexation, only to be preponderated over by the influence of the Treasurer.

We have the example of Mississauga where the city council has recently decided that 8,000 acres of prime farmland will be built upon. The city's planning commissioner, reported in the *Globe and Mail*, stated that there are no obvious provincial or federal policies to discourage that growth. This area which is to be designated for development is also the area which was identified in the government's COLUC report as a permanent agricultural area.

What comments has the minister made to the city of Mississauga regarding its plans? I simply ask you, Mr. Minister, where are the foodland guidelines and just what do you hope to accomplish by such guidelines?

I'd like to get some comments from the minister on the steps he will be taking regarding the decision this past summer in the case of the Ontario Farm Products Marketing Board versus the Eastern Ontario Vegetable Growers Co-operative. It ruled that the co-operative was exempt from the provisions of the Farm Products Marketing Act. No doubt the minister is aware that unless the appropriate amendments are made quickly to the existing legislation the marketing board system will be destroyed. The way would thus be opened up for large vertically integrated corporations to dominate the agricultural industry in Ontario. So I would like you to bring us up to date on some of the recent events here, and I know that you have been holding some meetings with the boards involved.

I would also like to get the comments of the minister regarding a recent type of housing development known as agrominium which is being put forth by developers. I believe that about three proposals have so far been made, the concept in its simplest terms is for residential farm-type housing or a co-operative or condominium-style basis. The land is to remain in mixed agricultural use, to be worked by the residents on a co-operative basis and managed by the owner full-time employee.

It is my belief that this type of development could lead to further destruction of prime agricultural land. It appears to me that the land developers who may not have the green light to go ahead and develop that land are trying everything in their power to get this land developed, so they are proposing these so-called agrominiums. I'd like

to know what the government's stand is on these agrominiums and whether they're indeed going to go ahead.

Lastly, I would like to comment on the drainage subsidy for repair work on municipal drains. Presently, repair work done on municipal drains under an engineer's report is eligible for a grant of one third of the total cost. Work that is not under an engineer's report is not eligible for the one-third grant. And in the report of the select committee on drainage it was proposed that work done under a drainage superintendent be eligible for the one-third grant. I believe the Federation of Agriculture has asked that a one-third grant be made on repairing municipal drains in the absence of an engineer's report. You know, Mr. Minister, as well as I do that these engineer's costs generally end up amounting to about half the over-all cost of repairing a drain and in some cases in even constructing a drain.

For the life of me I can't see why an engineer has to come to a drain to indicate whether or not it needs to be cleaned out. If farmers or municipal councillors are not smart enough to know that a drain needs to be cleaned out without an engineer advising them, then I don't think the councillors should be holding that position.

So since the grant is not available for a regular maintenance program, the tendency is to put off unnecessary minor repairs until the drain needs major repairs which are eligible for the grant. And as you have indicated, drainage plays an important part in food production in this province and this situation must be rectified.

I do not know why we have to wait for private members' bills before we get anything accomplished. The member for Middlesex (Mr. Eaton) had to introduce a private member's bill on this Pettv Trespass Act and you know full well that the Federation of Agriculture has presented briefs to you asking that there be amendments to that Act but rather than you introducing the Act, for some reason a private member had to introduce it. Unless you are going to act on this one-third grant for repairing municipal drains, then I am going to come in with a private member's bill amending the Farm Drainage Act. It seems to be the only way we can get any action from this particular minister.

So, I've covered a number of topics, Mr. Minister, and I know that the critic for the NDP will have something to say and would hope then that you would respond to some

of the questions that have been asked. Thank you very much.

Mr. Acting Chairman: Will you reply to the minister at this time? Then you can go at your questions, would that be satisfactory?

Mr. MacDonald: Whichever you wish, do you want us to reply?

Mr. Acting Chairman: It could wind up in a debate so I think you had better answer the gentleman's questions now and then you can have your turn, sir, and your questions will be answered.

Mr. MacDonald: You're in the saddle.

Mr. Acting Chairman: I wish I was.

Hon. W. Newman: May I just comment on the comments from the agriculture critic for the Liberal Party? I will just try to cover some of these points you have brought up tonight, which I think are very important.

I think you started in really, with our promotional program. What are we doing about it? Are we just getting started? How are we working it out? Perhaps I could outline to you the objectives of the whole promotional program.

In the past year, I think, we have seen where we have been able to produce a lot of agricultural products and we are more efficient in producing them perhaps than we are in moving them. I won't get into the whole experience of GATT and all the other aspects that we have been involved in, which the federation has been involved in and which others have been involved in. We felt in the ministry, and I felt, that we should be trying to promote Ontario-grown produce both at home and abroad. And I think it is very important that we do just that.

For instance, I have had many letters to my office from housewives and others who say: "Look, I went into such and such a store and I wanted to buy Ontario produce and we saw 'Canada No. 1 Choice' on it and we got home and we saw it had been packaged somewhere else." The whole exercise that we are working on here is to increase the awareness of the products that are grown in Ontario. When you travel abroad you find out that people look on Canada as a land which produces wheat. I don't have to tell you that we produce one-third of Canada's total agricultural products right here in the province of Ontario.

In order to make people aware of what we produce here and to try and sell the commodities we are producing here, not only at home but abroad also, is the whole purpose of this Foodland Ontario program—the badges

you are wearing. We opened at the Royal Winter Fair officially this morning. Certainly we feel it's very, very important. We ran the initial ads just last week because the kick-off was to be at the Royal Agricultural Winter Fair. There's been a lot of work done on this already.

If you'll notice, some of the ads in some of the newspapers—Toronto dailies—and some of the chain stores are already using this symbol in their ads to point out that they're selling Ontario produce.

The Premier and I have met with the heads of the chain stores. They have offered their co-operation on this program. I don't anticipate seeing these labels on every Ontario commodity overnight. It's not going to happen overnight. If we think it is, we're only fooling ourselves.

But we have had indications. If you go out to the Foodland Ontario exhibit at the Royal Winter Fair, which includes 22 of the commodity groups, you will see we are very much involved as a ministry in that whole project, in setting it up in co-operation with the Royal Agricultural Winter Fair. If you go out you'll see the new display signs, the new entrance to the exhibit. It's attractive. Samples are being given out there by practically all the commodity boards. Believe you me, I think I tried everything this morning—rabbit to chicken to rutabagas to whatever you want. There's a tremendous surge of interest being shown at the Foodland Ontario exhibit.

That's where we are really concentrating our efforts this year, to make the consumers aware of the kind of commodities we do produce here. I think this is the first time I can say in the history of the province that we've had such an enthusiastic support from all the commodity groups in the province of Ontario to promote this program. The federation has also been involved and think this is the kind of work we should be doing.

Certainly we think the long-range effects, the short-term and long-range effects of selling Ontario products here in the province of Ontario is very, very important to the consumers of this province. This is one of the major reasons for this program and why we are trying to develop it. If you want to know what's in the west annex of the Royal Agricultural Winter Fair, it's the largest display that's ever been shown in the agricultural area.

You mentioned something about imported products perhaps having our labels on them. It's something that will have to be monitored. It's just like the Hog Producers Marketing Board. As you know, they have a promotional program of their own every year and there

are cases where their label is used but it's very hard for the housewife to tell in the store exactly which pork product she's buying. I'm anticipating that once we get the trillium on these products, they'll be able to know exactly what kind of commodities they're buying.

We will be monitoring the possibility—and it is a possibility, no doubt about it—of imported products getting into these packages. That's one of the things we want to keep an eye on, although I don't think it's going to happen in a great way.

You asked me about promotional assistance. Yes, on special projects, a new promotional program, we will pay up to 50 per cent—up to, I think, \$50,000—for promotion of a particular commodity. It might be that, for instance, the apple commission, which represents the growers, may get together with another group to make a major promotion in apples when they come out of storage. As you know, their major program has been completed already.

You asked me about what I was doing in Australia.

Mr. Riddell: Before you go on, are you happy with the ministry's food exhibit?

Hon. W. Newman: The Ministry of Agriculture and Food exhibit itself is drawing a lot of interest but I'm more concerned, if I may say, that it's a joint effort between the Royal Agricultural Winter Fair, ourselves and the commodity boards. Part of our promotional money went into Foodland Ontario and that's where the main emphasis is this year—with the boards to sell our products.

Mr. Riddell: Apart from telling them what percentage of the produce grown in Canada is actually grown in Ontario, I think you should also have indicated on the exhibit what decline has taken place over the past number of years to make the Ontario consumer aware of the fact that some of these percentages are declining and it's well within their interest to support the Ontario producer.

Hon. W. Newman: I covered that this morning; I didn't see the television program tonight, but it was covered by television and radio reports. One of the major points—and I stressed this point—is that less than 10 years ago we had around 70 to 80 per cent of the canned peach market in the province of Ontario. Now we have about 20 per cent of that market and we're faced with real problems from import canned peaches from various parts of the world.

[9:00]

Mr. Riddell: That's the story we've got to get across to the consumers.

Hon. W. Newman: That's right. Really what we're trying to do is make the consumers aware and build a loyalty for Ontario products.

You asked me specifically about Australia. They do import canned peaches from Australia. I met with the fruit board, or whatever it was, and many agricultural officials in Australia to discuss this matter. I don't think that canned peaches from Australia are going to be highly competitive with Ontario peaches in the long run. We have to be more concerned about peaches coming in from other areas of the world where we just cannot compete.

Let's be honest about it; we can't compete with the cheap labour costs they have there, with the climatic conditions they have there. It makes it very difficult for us to compete. Especially in the fresh fruit market we are going to need some seasonal protection for the agriculture industry. The tariff board committee report—I think it was 152—which came in from the Tariff Board recommended it to the government of Canada.

I suggest we have seasonal tariffs to protect our fresh fruit industry if we really want to be practical about it. In the Niagara Peninsula at this point in time it is very difficult to compete with these foreign imports, because of our cost of production, especially when they're dealing with a situation where they're paying perhaps \$50 a month maximum for labour. Of course, our costs are much higher.

So, if we are going to compete and continue to compete there are going to have to be some concessions made in this area at the multilateral negotiations which will be going on in Geneva. The reports are to be tabled by January 15 of this year and as of two days ago, as far as I know, there had been nothing tabled at Geneva by the government of Canada.

You can talk about how do we compete. Coming back to Australia, I'm not worried about them being able to compete in the long run because of their transportation costs and the inflation rate in Australia. That's one thing that we talked about in Australia.

You were also asking about the beef industry in Australia. We were under the impression, from government statistics and from government meetings we had in Australia, that the number of cattle in Australia had been cut back. I met with the Australian Meat Board for the better part of a day to discuss the total beef industry there. I would say, after discussions with them and with other individual groups outside of government, the number of cattle in Australia

has not dropped significantly, if at all. It is estimated there are somewhere around 34 million head of cattle in Australia, as compared with a total in Canada of perhaps 12 million head of cattle.

Start looking at the situation we're faced with today. I go back to last fall when the US had a beef import law—I was told it would never be triggered; it was triggered last October or November, whenever it was—to stop beef coming into the US. Of course that in turn triggered a chain reaction right around the world and it affected our beef industry as well.

For two years I have been calling for a beef import law. I have stressed it; I have fought for it. Even though Australia and New Zealand now are on voluntary restraints as to the poundage imported this year, I saw the tremendous pressures building on government in Australia and New Zealand to move that beef. They can run beef 12 months of the year outside on grass. They finish their beef on grass. I saw cattle finished on grass you would swear had been finished in a feedlot. And if you think we can compete with Australia and its year-round running of beef on grass, then you've got another think coming. We cannot compete with the vast range lands they have in Australia.

I say we need a tough beef import law and quotas set so the other countries of the world will know exactly what beef is coming into Canada. I have spoken about it many times and I'm sure you are well aware of it. It was only within the last two months that there has been any indication from Ottawa that they will bring forward a tough beef import law. This is what I have been fighting for, if nothing else, as far as beef is concerned—something that can be triggered when problems arise so we can deal with the situation rather than have regulation on a voluntary basis so we don't know when we are going to be flooded with beef. Goodness knows our beef farmers have been through a difficult enough time as it is.

You asked what else I did in Australia. I also met with many government officials to discuss many aspects. One of them is: Why have we not been able to sell tobacco to Australia? The board went down with me—and keep in mind that all the commodity boards that went over with me all paid their own way. There was no government payment for those various people. They went over on their own hook, with their own money.

In Australia I had meetings with three or four different tobacco groups; and the

tobacco marketing board had some meetings. The reason why we have not been exporting tobacco to Australia since the 1950s goes back to a problem that arose at that time due to some inferior quality tobacco sent to that country.

We felt that there was a potential market in Australia for tobacco products. One of the companies, which asked not to be named, said it would be at our auctions this fall, looking at our tobacco and probably buying some. So we can get a start. We've got the quality and we have the price. Our price is better than the price in the US, from where a lot of tobacco is imported. This year, especially, the quality of our crop is a lot better than the US crop because down there they had a bad crop this year. I think they're down to 1.2 billion pounds—whatever it is, it's away down on last year. The quality is down and we thought it was a good opportunity to move into some of those markets this year. I'm very confident that somebody will be buying tobacco.

When we were in Australia we talked about many other commodities, in a general way, with government officials. I was in Australia for about two and a half days and I had about nine meetings, as well as talking to private individuals who had farms ranging anywhere from six thousand to 80,000 or 90,000 acres; we talked about what kind of cattle they were running and how many, and what they were doing about cutting back on their herds. I think the whole attitude over there is to wait to see if the market improves; then they can see if they can get more beef into other markets.

When I came back I noticed that there's a good possibility we're going to have a beef import law.

I think you asked me about the Kincardine project. It wasn't an election gimmick. It was nothing of the kind. I was down to the United States long before the election was called. I went down to Minneapolis with some of the Premier's staff to look at a waste heat project down there. They're actually using waste heat from a coal generating plant, operating a greenhouse from the waste heat from this plant. Rather than put in cooling towers they've used discharge heat to heat a greenhouse. They've got one acre under glass now and they're heating it completely from the waste heat.

At the Kincardine project we have a feasibility study going on at this moment. The report on the feasibility of the whole situation is due late this month or early in December. I've forgotten who's doing it. The whole study is going to cost about \$75,000.

We're working with the Minister of Energy (Mr. J. A. Taylor) on this. The estimate of how much waste heat could be generated through pipes, how far it will have to be taken, how many acres under glass could be handled and how many aquaculture ponds could be developed—all this we won't know until we get these figures from the report.

The main thrust of this whole project is to create a situation for import replacements. We're not trying to displace anybody. We're looking for commodities that can be used as import replacements because we import into Canada well over \$1 billion worth of horticultural products a year or more.

Mr. Riddell: Such as what?

Hon. W. Newman: Citrus fruits, tomatoes, peanuts.

Mr. Riddell: You're looking to establish that type of production at the Kincardine project, are you?

Hon. W. Newman: No, no. We're talking about certain commodities that are very difficult to raise in greenhouses because of the high heat costs. We're doing work to reduce heat costs in the greenhouses through research we're doing at this time for the Leamington area and for other areas.

At the moment, hot water is being dumped into the lake and we're looking for ways and means to utilize this heat. Rather than have it go out into the lake, we're looking for ways to preserve it. We have collected a lot of data from Romania where they had a massive project like this. Unfortunately they had an earthquake and got into some serious problems with theirs, but certainly we are looking at it from the point of view that we will be able to utilize this waste heat in the long run.

I am getting into the Minister of Energy's field, although I don't want to. I think they are looking at ways and means of using this "reject heat," if that is what you want to call it. I mean, it could probably be used down the road for heating industrial plants or for heating residential plants. This whole process is going on now.

However, the Kincardine project was set up basically to deal with reject heat for greenhouses and aquaculture.

Mr. Riddell: But it will be the same type of greenhouse production that is now being done in Leamington, will it not?

Hon. W. Newman: Some of it could be, but by and large we are looking for import replacement products. We have no intentions, really, of putting them out of business. I am fully aware of the problems they are facing. I was talking to the chairman of the Green-

house Growers' Association just this morning, so I have some idea of their concerns.

You asked me about the Rainy River program and land clearing. I did meet with Telford Advent and he put forward a very good proposal for land clearing in the Rainy River area—keeping in mind, that for any sort of program as far as that area is concerned you cannot only look at Rainy River; you have to look at the total north country.

I guess one of the things we are looking at is: Is it better to clear 20,000 acres of land—go out there with bulldozers and pay a grant or whatever it may be, to clear 20,000, 30,000 or 100,000 acres of land to grow more crops? Or is it better to look at draining that property if it is possible, because, as you know, by putting in tile drainage you shorten your growing season which can be a major factor up there. The whole matter is being looked at.

Just to run out with bulldozers and start clearing this land may not be the best answer in that country. There may be other solutions which are just as effective and less costly in the long run to the farmers who are there. Certainly this matter is still under active consideration, keeping in mind the estimated cost runs to about \$15 million.

These are great projects and certainly we would like to do all the things we could do. However, we do have limitations on our expenditures, as you all know from writing me letters from time to time. There are certain things that have to have priority. Certainly I did talk about the north the other day, and I talked about its great potential.

Mr. Riddell: While you are on that point, you mentioned in your opening remarks the money that was spent by the ministry. What percentage of the overall provincial budget is actually devoted to your ministry? Not very much, is it?

Hon. W. Newman: The total is \$192.5 million.

Mr. MacDonald: The total budget of the province is \$12 billion.

Mr. Riddell: Not very much is going into the agricultural ministry—the backbone of our country.

Hon. W. Newman: Are you suggesting that we should be cutting back more in the social policy field?

Mr. Riddell: In the social policy field? No, I am not suggesting that.

Hon. W. Newman: Are you suggesting that we write up the total provincial budget higher?

Mr. Riddell: No. Cut back on some of min-

isters' salaries and what not and get some more going into the Ministry of Agriculture and Food.

Hon. W. Newman: That is fine. That is fine.

Mr. Riddell: Cut out your parliamentary assistants.

Hon. W. Newman: Don't you cut out my parliamentary assistant.

Mr. Riddell: Say, how is your parliamentary assistant working out?

Hon. W. Newman: He is a very capable fellow.

Mr. Riddell: Good.

Mr. MacDonald: I did a quick calculation. There is 1.5 per cent for the ministry.

Mr. Riddell: Isn't that something? One and a half per cent of the overall provincial budget is going into the agricultural industry. Sorry for the interruption.

Hon. W. Newman: I am sure my salary on top of it all will take it up to 1.6 per cent.

Okay, just going on with some of your comments. Look, nobody is more aware of the problem we are facing with the bean industry. Yes, I have met with the bean marketing board. I met with the operators, the dealers, the board and my staff only about 10 days ago. I am getting various reports of how many beans there are or there are not, how many have been forward-contracted.

[9:15]

We know there are 850,000 hundred-weight forward-contracted under the regulations; under the marketing board they are allowed to forward-contract 25 per cent. Close to three million hundredweight was the estimated crop, but we had a tremendously bad fall. You know it and I know it. Getting the beans off was difficult and yet the farmers did get out and I give them a heck of a lot of credit for trying to get those beans off so that we could use them, knowing that some of them are poor grade. Sure they are poor grade, but some of the top beans which were lying in the ground were not too bad a grade.

Right now we are doing testing. There is testing of beans flown to the UK; we except a report back shortly. There are beans being tested over there for canning purposes, to say exactly what grade of beans they will take. We have a serious situation on our hands and I don't deny it.

One of the problems in France and Germany is that the white beans really have to show up white when packaged, whereas

some of the beans that are blanched can be put into pork and beans—perhaps they can take a lower grade. We are trying to work it all out.

I just talked to the chap who is over here from Ontario House in England, and I am aware of the concerns over there. I am also aware of the fact, and it bothers me a little bit, that we had a meeting to discuss the problem and it was all over the world within 48 hours that we had had a meeting with the government. Everybody is sitting back to see and weigh what the government may or may not do.

The price of beans in Michigan right now is approximately \$28 a hundredweight. Most of these were forward-contracted at \$17 a hundredweight. Michigan has a problem this year in harvesting their beans. They had one million hundredweight in reserve from last year. I know there is a problem.

As a result of a meeting the other night with the bean board and the dealers I set up a task force. At the meeting we found we did not have a firm handle on the amount of beans, the grades, and what would be accepted. I asked the task force to report to me within a week. As a matter of fact, they are probably out writing the report today and tomorrow because we want to get a handle on exactly what is happening in the white bean industry. The other night we had various figures thrown at us.

I had a call tonight half an hour before I came to the office from somebody who indicated that other things were happening over there, and I certainly don't intend to go barrelling into the situation until I have a firm handle on it.

We have an export market and it is important because we export 85 per cent of our white beans, and you know yourself, because you grow white beans, exactly what the problems are. We are trying to work this out. We can blame the board. We can blame somebody else—we can blame everybody else, but it doesn't solve the problem. We're looking at it right now to try to get a total picture, to see exactly where we stand as far as the forward contracts are concerned, what we will be able to use for canning. We may not know that until we get back the test results from Great Britain whether they are prepared to can those beans in their present condition.

You talked about the rural employment incentive program, which was a \$5-million program this year in our ministry. The whole purpose of that program, if you want me to explain it to you, is that we took the municipalities of the province of Ontario, and allocated so much to each municipality to hire

people to do work throughout Ontario—cleaning up ditches, cleaning up around the farm areas, maybe tearing down old barns for rural beautification—to give jobs to people. We have done an analysis of the program, and we have had nothing but excellent reports from municipalities across this province.

Mr. Riddell: Was all the allotted money used in the program?

Hon. W. Newman: We actually could have used a lot more; we had requests for further money. As far as I am concerned it was an excellent program. It was announced; it got off the ground very quickly; and the money was utilized to hire young people and people who were out of work, and it allowed the municipalities a completely free hand in how they went about doing it. We just allocated, township by township, across the province.

I must say I think it was a very successful program. I have had nothing but good comments from the municipalities because we have done some checking on it around the province. The dollar-per-hour manpower program under the Youth Secretariat we are talking about really doesn't come under my ministry, but certainly we will note your comments for the appropriate minister, because our rural employment centre program works so well. There were problems—my own riding had a few problems where people called me and we were able to get it sorted out—about the dollar per hour that was paid to someone hiring somebody on the farms.

Mr. Riddell: There were lots of problems, I can tell you that.

Mr. Wildman: Especially if the guy was related to your first cousin.

Mr. Villeneuve: Well, it worked very well in eastern Ontario, I can tell you that.

Hon. W. Newman: I think it was a good way to get a lot of young people working and I think it worked out very well.

You were talking about preserving agriculture and you went on at some length on it. I just want to point out to you about our foodland guidelines, the green paper, that we have had a lot of comments back from around the province, mainly pro, some con, and many recommendations on how they could be changed.

As a result of the representation made to us by several groups, we have extended the deadline to December 31, 1977, for them to make their replies. Certainly a lot of people have gone to a lot of work and I said I would sit down and meet with them. I am told we have had 99 replies to date and all but four agreed in principle with the food land guide-

lines. There are some variations of it they would like to see changed and so on.

I should point out to you that we do make comments to the Housing ministry when any official plan comes in. The Ministry of Housing is the clearing ministry for all of these official plan changes, subdivision plans et cetera. In the case of the Barrie annexation, I believe we sent our comments over. I stand to be corrected but I'm almost sure the Treasurer tabled my letter to him regarding my concerns on the Barrie annexation in the House. Is that correct? Maybe somebody could confirm that.

Mr. MacDonald: He tabled the letter but he paid no attention to it.

Hon. W. Newman: It was, of course, dealt with by the OMB. I understand that there is also an appeal coming forward on the present decision and the appeal will be coming to cabinet. It would be a little bit unfair for me to comment in detail until it has been dealt with by cabinet.

I certainly say that we congratulated them on their policy to try and preserve agricultural land up there. Our comments were quite strong in that effort. If you saw the letter, it was tabled in the House.

Perhaps I'm getting away from some of the comments you made to me.

Mr. Riddell: Darcy won't get the message until he has to do without some of the food he enjoys now.

Hon. W. Newman: I can tell you there have been a lot of subdivision plans turned down and I have had letters from all parties giving me proper heck because certain things did not go forward in their particular ridings. I can actually show you where this has happened because of agricultural concerns. I think this is very significant. We could get into the Niagara Peninsula and I am sure somebody will while we are going through our estimates. What was happening there was, we had a great deal of input into that whole program as far as the Niagara Peninsula is concerned.

We have been using the guidelines as a general guideline at this point in time within the ministry. I believe at the Barrie annexation there was to be—I don't know whether any of our staff were subpoenaed to that but many of our staff are subpoenaed to various hearings, and they are free. They go and they make their own comments on official plans or annexations or whatever it may be.

I believe you mentioned Mississauga. The council of Mississauga has said, from what I read in the papers, that the "hole in the

doughnut" should be developed. When that plan goes from Mississauga to the region and from the region back to the province and the Ministry of Housing for approval, it will be circulated to my ministry for comments by our people and our staff and myself and back to the Ministry of Housing on that land in Mississauga.

Mr. Riddell: If they pay any attention to him, that is another thing.

Hon. W. Newman: I just finished telling you many subdivision plans and many other matters have been turned down. I can think of severances that have been turned down right across this province. I've talked to and received letters from members on both sides of the House who have said, "Why did you make comments on that particular severance? It's not really good agricultural land," and so on and so forth. We are having an effect. The number of severances—I can't give the exact figures but somebody will have them—is away down from what it was a few years ago because the municipalities and the counties and regions are becoming much more aware of the problems that can be created by some land severances as far as agriculture is concerned. When the Mississauga plan does come forward in the appropriate way, we will certainly be commenting on it to the Minister of Housing (Mr. Rhodes) at that point in time.

You mention the Eastern Ontario Co-op and the Farm Products Marketing Board case that came up in the courts. The Farm Products Marketing Board lost the case and the Eastern Ontario Co-op set up a means of selling their produce without actually paying the negotiated price the vegetable marketing board had established with the processors. Yes, it's quite true, they did that and we lost the case.

We also have the Campbell Soup case where they were taking chicken, putting it into TV dinners and selling it as a processed product getting around parts of the Farm Products Marketing Board regulations. I'm sure that wasn't the intention. I have every intention of introducing legislation regarding the Farm Products Marketing Board in the next few days.

Mr. Riddell: Good.

Hon. W. Newman: I met with the Ontario Federation of Agriculture, the Christian Farmers Federation, the marketing boards, regarding this matter, some five weeks ago.

On the agrominium situation, I believe that has now gone to the Ontario Municipal Board; if I'm correct, I believe it's before the OMB now to be heard. Is that not correct?

Mr. Riddell: I don't know.

Hon. W. Newman: I believe it is. We have sent our comments to Housing, pointing out our concerns about the agroninium and I understand those comments will be tabled with the Ontario Municipal Board at the time of the hearing. That is my understanding from the Minister of Housing. I've talked to him and he said he was going to table the comments from the various ministries on that at the OMB hearing.

You mentioned the drainage subsidy. The total Drainage Act has not been proclaimed as yet. The appointment of a superintendent to pay the subsidy on that, which is 50 per cent of his salary or one third of the maintenance costs, has not been proclaimed at this point in time. One has to decide in the ministry where you are going to put your priorities although a good portion of the Drainage Act has been proclaimed.

I believe I mentioned under the Drainage Act it was about \$7 million included this year. I would like to proclaim the whole Act and certainly it would be to our advantage to proclaim the whole Act. We have to look at our priorities. I think the amount of money that's in there for drainage now is about \$7 million. Certainly as far as I'm concerned the title drainage program at \$18 million—and we've got the additional \$2 million—should go even higher. We're living in some constraints today. Therefore, the whole Drainage Act has not been proclaimed at this point in time. It would take between \$2 million and \$4 million to proclaim the rest of the Act.

Mr. Riddell: Between \$2 million to \$4 million?

Hon. W. Newman: Extra. Right.

Mr. Riddell: And you indicated you'd like to get another \$2 million?

Hon. W. Newman: No, no, no. We got an additional \$2 million. There was \$18 million in our budget and under the incentive work program brought in by the Hon. Darcy McKeough we got an extra \$2 million for tile drainage.

Mr. Riddell: I think we should point out to Mr. McKeough that only one and a half per cent of the overall budget is going to agriculture so surely he could give you another \$2 million to \$4 million to proclaim this whole Drainage Act.

Hon. W. Newman: I could think of many millions of dollars I could use. I'd like to have a lot more money for promoting Ontario products and I'd like to do a lot more other programs.

[9:30]

Mr. Riddell: Just perform like Whelan does—go into cabinet and lay your fist on the table and say: "This is the way it is going to be, boys." And don't let Darcy McKeough run over the top of you.

Hon. W. Newman: Well, you can ask Mr. McKeough. I'm not privileged to say how much I yell and scream in cabinet, because—that is confidential. What I'm thinking about—

Mr. Eakins: Does Darcy shout?

Hon. W. Newman: —was the Petty Trespass Act. As you know, the topsoil bill was kicked around; it was supposed to be done as an amendment to the Municipal Act, and so on. Finally, a while back I said: "Okay, fine, we'll do it ourselves." The Petty Trespass Act comes under the Attorney General's department, and any amendments to the Petty Trespass Act will also come under the Attorney General's department. I have written him on two occasions asking him to move forward with that legislation. I know he is working on it.

Mr. Sweeney: They are pretty slow.

Mr. Riddell: Is he going to introduce a bill, or is this bill of Eaton's going to do the job?

Hon. W. Newman: At this point in time I can't speak for the Attorney General, but he certainly is aware of the fact. He has met with the federation; he discussed the Petty Trespass Act and I know he is working on some sort of legislation.

Whether it will be that, or Bob Eaton's bill—I can't tell you what order it comes up in the House. I have just forgotten the order of the private members' bills and I can't tell you if it will come up before Christmas or not. I can't tell you on the draw just exactly when that will come up. I think the other bill would have come up first, and whether he is going to drop that now and come forward with this, I can't tell you. That will be decided by the House leaders.

I think you mentioned somewhere at the beginning—it is very interesting—about the problems we have. You know the turmoil we got into last Thursday, and I think I tried to explain at that time that because of Friday being a holiday they moved the hours back. But let's keep in mind that the House leaders do meet at least once a week, or probably twice a week, to work out the format for how the House is going to operate.

That does not include only our own party; it includes your party and the NDP. The House leaders sit down and figure out exactly

what is going to happen, and they by and large agree on the proceedings of the House that week.

So you say I should talk to Bob Welch? As a matter of fact, gentlemen, I offered to go forward, because of the Royal Agricultural Winter Fair, before Mr. Bennett of Industry and Tourism, and I'm told by our House leader that you weren't ready. Fair enough, the schedule was set up for estimates. I am not knocking you for it, but I was prepared to go early—

Mr. Wildman: Darcy told us that was going to happen.

Hon. W. Newman: I was quite prepared. I told our House leader I was quite prepared to go ahead before Industry and Tourism, because I knew the Royal Agricultural Winter Fair was coming up. I thought, well, with the amount of hours we were allocated we could be—

Mr. Wildman: Besides, Claude Bennett was in Paris. It might have helped. He wouldn't have had to rush home so fast.

Hon. W. Newman: I was quite prepared to leave him over there to do what he had to do, and to get on with our estimates, so I would be free for the Royal Agricultural Winter Fair—because I think it is a very important fair.

I was out there this morning and I was out there last Friday, and I only wish I could spend more time there. Of course, with estimates and the House it is going to be very awkward for me to get out at all this week. It does bother me. We've got the Queen's Guineas class on Friday morning, which my parliamentary assistant is very ably going to take on for me, because I cannot be there. It is the first time I've missed a Queen's Guineas, not only since I became minister but for many years.

Mr. Riddell: Is he going to judge the cattle? With some of those exotic breeds, he won't be able to see what kind of a topline they've got.

Mr. Wildman: Should be pretty good on the "udders," though.

Hon. W. Newman: He can handle himself very well.

Mr. Riddell: Yes, I would agree with that. I served on a select committee with him, and I think it was a fine choice. I just think it is a crime that the Premier (Mr. Davis) did not realize his potential before now.

Hon. W. Newman: I think I have covered most of the items the opposition's critic brought up.

Mr. MacDonald: At last count, I think I

had 172 supplementary questions. But I shall forgo all of them at the moment because most of them, I think, can be raised on one or another of the estimates at a later point. I want to use the introductory lead-off comments to deal with broader policy issues which will apply to individual estimates as we get to them.

The main thrust of the ministry in the last year or so has been, I think, a double-barrelled thrust: One, this effort to develop a loyalty for Ontario produce and, obviously, everybody is in favour of that.

I'd be in favour of it for a wholly sort of peripheral concern, and that is I think one of the great problems with agriculture, since it is now restricted and contracted to involving less than five per cent of the population, is to capture the attention of the other 95 per cent, most of whom live in cities and towns and not on farms.

Incidentally, in terms of promoting Ontario farm produce, I think you are creating a greater consciousness about farmers and farm produce and the quality of the produce they are making available for everybody to eat. Therefore, raising that consciousness level, is, I think, serving an ulterior purpose.

Secondly, this expansion of markets throughout the rest of the world in some products: As you indicated, with beans, we export 85 per cent of our produce.

Hon. W. Newman: I am sorry I said 85. I am informed it is only 73 per cent of our total bean product.

Mr. MacDonald: Who is going to quibble over 12 per cent?

Hon. W. Newman: I will remember that.

Mr. MacDonald: And what year, right! More interesting, I would like to get to some basic policy issues in this.

The Treasurer went to Ottawa in early October and he tried to persuade all his colleagues at a federal-provincial conference that we should be moving towards lower tariffs and freer trade. For a person who has been interested in Canadian history, I am utterly fascinated by this. This is a switch that—

Mr. Ruston: From a Conservative, eh?

Mr. MacDonald: This is a switch. You had better keep quiet because you are creating part of the switch.

Mr. Acting Chairman: I would just like to say that I would appreciate it if the gentleman here would speak through the Chair, and he doesn't need any help. Thank you.

Mr. Wildman: That is certainly true.

Mr. Ruston: I would agree he doesn't need any help.

Mr. MacDonald: It is obvious, Mr. Chairman, that you are now in the saddle.

This is a fascinating switch because historically the Tory party has been the "protection" party and the Liberal party has been the "freer trade" party. Here, in this House, we blink and wonder whether the world is real or what has happened because the Tory party has become the "free trade" or "freer trade" party and, God help us, the provincial Liberals, not looking at what their colleagues in Ottawa are doing, have become the great "protectionist" party.

I wonder if they really have convened with the patron saint of the Tory party, Sir John A. Macdonald. He must be turning over in his grave.

Mr. Wildman: Shaking.

Mr. MacDonald: Interestingly enough, that protectionist policy enshrined in Canadian history as a national policy which was the bedrock of Tory policy for generations, built up a hothouse industry in this country. In many instances it built up the very thing that Darcy is now worried about, namely an industry that wasn't particularly efficient. It was "protected," and therefore it went on its way with those inefficiencies being compounded rather than being sorted out by the miraculous operation of the marketplace and a foreign-dominated industry. If you could not sell into Canada because of the protection walls, then it was an invitation for all those foreign companies to come in and establish their subsidiaries here. So interestingly enough, the problems that Darcy is most interested in are an inevitable byproduct of traditional Tory policy.

However, having made that point, I want to get down to agriculture. I want to get down to you, sir. Where does agriculture fit into this picture? I was interested in noting that Peter Hannam in his article in the October 25, 1977, issue of *Farm and Country*—his presidential article, I suppose you would call it—says in his lead paragraph:

"Canadian agriculture suffers from unfair tariffs. The effective tariff rate for agriculture is .52 per cent, one half of one per cent. The effective tariff for food processing is 19.04 per cent. For textiles it is 23.67 per cent. For knitting mills it is 33.73 per cent. For furnishings and fixtures it is 20.19 per cent. For petroleum and coal products it is 44.41 per cent. And for chemicals it is 10.43 per cent."

That is just not fair, says Peter Hannam. I am not going to quibble with his suggestion that agricultural tariffs are just over half of one per cent—.52 per cent—but just to keep

the thing as accurate as possible, in another issue a few weeks before they quoted Gordon MacEachern, president of the Agricultural Economics Research Council of Canada as saying we protect inefficient manufacturing industries with effective tariffs that range from 20 to 40 per cent compared to 4.5 per cent for agriculture. So he has the tariffs for agriculture at 4.5, Peter Hannam had it at about half of one per cent.

My point is simply this. Agriculture has traditionally had very low tariffs and that has created real problems, of which I know the minister is aware. It creates real problems for yet another reason. Just about the time Ontario farmers want to market many of their products, farmers in the warmer climates, for example, in the United States, to say nothing of the rest of the world, are at the surplus end of their annual production and they are dumping—though they will argue because dumping is an offensive word in light of GATT—unloading produce into Canada. They are coming into Canada just at the time the Ontario farmer is starting to market with his product and it is creating real problems. It is wrecking the pricing structure and everything else.

What are you going to do about it? Forgive me, Mr. Minister, but if Mr. McKeough whispers in the cabinet, he is heard and I don't know whether you shout and pound the desk or not, but Mr. McKeough's whisper is heard far more than your shout. It's all very well for you to say you want a tough beef import law in Ottawa, but are they really going to listen to you when Mr. McKeough is arguing you should have low tariffs? Let's deal with some realities here. It's all very well for the Liberal critic to talk about Eugene Whelan going in and pounding the desk and everybody listens. Eugene Whelan wails away but often they don't listen. The Minister of Agriculture in Ottawa and the Minister of Agriculture here are the odd men out in a minority. On the eve of an election, everybody, including Mr. McKeough, will look to you and do some things for vote-getting purposes. But basically, you don't get the protection you're interested in or need. I just underlined it with the proposition you are calling for a tough beef import program. And what is Ottawa going to say when they listen to you calling for a tough import program and they have just been told by Mr. McKeough we should move to lower tariffs? I know what Ottawa is going to say. You can guess. And they go to the next one.

In light of the fact that I remind you the second prong of your main thrust at the present time is to develop export markets

for our produce, I was fascinated back on April 18, the day before the budget was brought down, Mr. McKeough—and if I can just interrupt myself here, briefly—I can never quite figure out whether Mr. McKeough runs the cabinet or William Grenville Davis.

Mr. Miller: Are you worried about Mr. McKeough?

Mr. Macdonald: No, I'm not worried. Sometimes I think there is some fairly conclusive evidence Mr. McKeough is calling the shots and sometimes Mr. Davis is in there picking up the chips after there has been trouble for it, but Mr. McKeough is the man calling the shots, and in light of that, just listen to this.

Mr. Eakins: He is the next leader.

Mr. Macdonald: The day before the budget, Mr. McKeough made a speech and the headline in the *Globe and Mail* was, "McKeough Seeking to Unload Programs Costing \$143 Million". Among the programs was the Ministry of Correctional Services. Wait until Frank Drea hears that.

Among the other items Mr. McKeough is going to unload, from the provincial government point of view, is the promotion of overseas trade with estimates of \$2.3 million last year, and the agricultural marketing program, with estimates of \$9.5 million last year. So here we have Mr. McKeough, who bloody well runs the show to a very great extent and there is no point in you denying he doesn't—

Hon. W. Newman: Well, I do deny it, but go ahead.

[9:45]

Mr. MacDonald: Next to Mr. Davis—I will concede for a moment Mr. Davis is the Premier—Mr. McKeough is the man running the show and here he is saying two of the things that should be eliminated from provincial expenditures are the very things you are up on your little podium and running around he world promoting as the main thrust of your policy. I, as an innocent bystander in this whole proposition wonder how you expect to retain the credibility of your posture about going out and developing world markets and protecting farmers—when you have the key man in the cabinet saying that going out to develop world markets is something you shouldn't be engaged in at all at the provincial level.

As far as protection through tariffs, the farmers have had very little protection—anywhere from an estimated half per cent to four and a half per cent. I'd appreciate your comments on some of that.

Let me move on to another. I am still puzzled, and I don't want to thrash old straw too much here, as to what exactly the role and significance of the word "food" is in the Ministry of Agriculture and Food. I spent a great deal of time on this in the estimates about two years ago.

I reminded us that that change in name was made by Bill Stewart in 1963. I have not found anything of real significance to suggest that there's been any substantive change in the approach of the ministry. True, you have the Ontario Food Council, and I'll come to that in a minute, which presumably is working in that field.

I was interested that Gene Whelan a few weeks ago made the announcement that he was going to become in the future, to a greater extent than he has been in the past, a champion of the food consumer as well as the food producer.

I think you can have it both ways.

As a matter of fact, for the reason that I've already indicated, that precisely because farmers are now reduced to five per cent of the population, farmers are always going to get the short end of the stick, if there isn't a full understanding of their problems and their needs on the part of the other 95 per cent.

If the Minister of Agriculture wants to build up democratic support—because we operate, I'm told, in a democracy—for the protection of the five per cent who are producing the food he has got to take into account, and not leave it to the Minister of Consumer and Commercial Relations (Mr. Grossman) or somebody else, to do it. If past experience in recent years is any guide, the worst person in the world to protect the farmers' interests is going to be the Minister of Consumer and Corporate Affairs.

In Ottawa that's the centre of the whole thrust against farm marketing boards. That's where they're feeding out the stuff to that subsidized group of middle-class types in the federal group of the Consumers' Association of Canada.

Hon. W. Newman: All Beryl Plumptre's employees, too.

Mr. MacDonald: Pardon?

Hon. W. Newman: They're all hired from Beryl Plumptre's committee.

Mr. MacDonald: You're right. All I'm saying is that I think there is a job for the Minister of Agriculture to focus perhaps the major part of his attention and his energies on meeting the needs of the five per cent who are producing the food. But in order to get the kind of public support you need

in the cabinet in many instances for what you are seeking for farmers, you've got to enlist the support of the broad group of consumers who eat the food.

If you look as though you're an uncompromising champion who is going to fight to the last ditch for the farmers, and to hell with the consumers—because that was about Eugene Whelan's posture a year or so ago. He in effect said to the consumers of the country: Look, your prices are going up and are going to go up even more, and you might as well learn to like it.

Mr. Nixon: Too low now.

Mr. MacDonald: Pardon?

Mr. Nixon: Too low now.

Mr. MacDonald: Okay, okay. I'm willing to concede. But Eugene Whelan has learned. All I am saying is that I suggest to you that you should build some substance into the word "food" in the Ministry of Agriculture and Food. "Food" in that instance isn't just maintaining adequate quality; "food" is becoming something of a champion, in co-operation with your colleague in the Ministry of Consumer and Commercial Relations, of the consumer. The obvious areas of conflict can be reconciled. At least the public will be more aware of them.

Which brings me to the role of the Food Council. For the life of me I can't figure out whether we are spending usefully the money that goes to the Ontario Food Council.

I get this endless stream of recipes. Far be it from me to say that recipes shouldn't be going out, I suppose as an adjunct to your program to develop a loyalty for Ontario produce. It is trying to show people how they can use Ontario products in many other ways. This Food Basket is the phoniest waste of time I have ever heard of. Periodically you have prices that are given out; you won't tell what stores you have surveyed, so that nobody knows. It's a hole-in-the-wall effort, serving no particular purpose at all. Potentially it could be very useful in informing the consumer of the gap between what the farmer gets and what he has to pay.

But you stubbornly refuse to do anything about that. Let me take a specific, because I have just been talking in generalities: milk.

I have had the privilege for the last three or four years in attending the annual meeting of the county milk committees up at Geneva Park, sponsored by the Ontario Milk Marketing Board. I have been fascinated in the preoccupation of the milk producers with the fact that every time their price goes up the consumption goes down. In the economists' terms, there is a "high elasticity." If

the prices go up the consumption goes down very, very quickly.

They are very worried about it. They are spending \$2.8 million of the producers' money to promote their own product, just to hold their own. That is a bit unfair perhaps, for I think they have increased per capita consumption marginally, but very, very marginally. My point is that each time the price goes up, consumption drops, and the farmer has to take the rap. He has to spend some of his own money, through his milk marketing board, to try to build it up again.

We have had documentation that the retail price of milk is too high. We have documentation from the Food Prices Review Board in Ottawa. I know it came from Beryl Plumtre's outfit, and I would not blame you for being a little bit sceptical of it, but I think it documented what everybody suspected to be the case. Because there was such an uproar, and concern, over this issue, the Ontario Milk Commission was asked to review milk retail prices. They took an unconscionable length of time to come to any conclusion on it. But their conclusion was generally to confirm what the Food Prices Review Board said: "Yes, consumer prices were unnecessarily high."

Hon. W. Newman: Read the report.

Mr. MacDonald: I have read the report.

Hon. W. Newman: Read it again.

Mr. MacDonald: And particularly in the Toronto area—

Mr. Wildman: Sault Ste. Marie.

Mr. MacDonald: —and Sault Ste. Marie, and many other places across the province.

We all know that milk prices in the province of Ontario are tied to a formula. This is not just a cost of production formula but also an economic formula, which takes into account not only the costs of the milk producer to produce the milk. It takes into account consumer buying capacities and things of that nature. So that it is a balanced formula taking many other factors into account.

We have control over the price that the milk producer gets because of that formula. As we were told up at the Geneva Park meeting this year the formula now would justify an even higher price than the producers are getting. But precisely because there is this resistance in the market, and every time the price goes up the consumption tends to drop, they are not taking as much as the formula would justify them taking now.

I have never been able to figure out why

this government sits and won't do anything about the proposition that you control the price to the farmer, but beyond the farm gates there is an absolute reluctance to do anything about investigating or controlling the price at the processor level, the wholesaler level or at the retailer level. Despite the fact that there has been documentation that the price is too high, you just stubbornly refuse to come to grips with it.

Having refused to do anything about it in Ontario, we had this rather amusing charade a few weeks ago, where the AIB, that foreign body from up in Ottawa, intervened. The AIB looked at the profits of some of the milk processors. It came to the conclusion that some of them were justified in increasing their prices, because their profits were tolerable. But processors' profits were too high, so the AIB refused to permit them to increase the price. Then what happened? I was going to use an offensive analogy, but I'll discipline myself, I won't.

As a group, even those who were permitted to increase their price, got together with those who had denied their price and they came back to the milk board and from the milk board to the milk commission and tried to get them to roll it back to the farmer—that is, when the farmers' receipts are already behind the formula in terms of what they're justified in getting.

Hon. W. Newman: We didn't roll it back.

Mr. MacDonald: You didn't know about that?

Hon. W. Newman: We didn't roll it back.

Mr. MacDonald: I know you didn't roll it back. All I am saying is that the milk processors were trying to roll it back, so penalizing the farmer because the AIB had looked out the fact that they were making more money than they were entitled to. I'm asking you, where are you in the picture?

Hon. W. Newman: The AIB decision was overruled just the other day.

Mr. MacDonald: What AIB decision was overruled?

Hon. W. Newman: Where they allowed some to increase it and others not to increase it. It was appealed to the adjudicator, or whoever it is.

Mr. Sweeney: Tansley.

Hon. W. Newman: Pardon?

Mr. Sweeney: Tansley.

Hon. W. Newman: Whoever it was, it was appealed and it was reversed. The AIB ruling was reversed.

Mr. MacDonald: In what way?

Hon. W. Newman: The dairies which were not allowed to increase their price were granted an increase.

Mr. Nixon: So milk went up two cents last week.

Mr. MacDonald: Milk went up at two of them.

Hon. W. Newman: Some of them were told by the AIB that they couldn't take it up. Others were told they could take it up. There was an appeal to whoever's in charge at the AIB.

Mr. MacDonald: Tansley, the administrator.

Hon. W. Newman: They appealed to the administrator and he reversed the AIB ruling.

Mr. Wildman: Do you support that ruling?

Mr. MacDonald: I don't know where I've been living. I missed that. Maybe it's my fault I missed that. What I heard was that two of the dairies had increased their price just this week by a couple of cents and a couple of other dairies were withholding the decision until they heard what Beatrice Dairy down in Kingston got by way of a ruling from the AIB.

However, let me get to the point I want to make. If I'm not up on some of these details or if there's some conflict, that isn't the main thing. The main thing is this: If farmers are going to have their production costs scrutinized in the most ruthless kind of way, if they can get a higher price only when the formula justifies it, I have never been able to see the justification, which other provinces have got away from, of leaving complete freedom to raise prices as they see fit to the processor and to the wholesaler and to the retailer.

What they invariably do is that when the producer gets an increase, they pass along the increased price they have to pay producer through the Milk Marketing Board, but then they'll piggyback an increase for themselves on it. Nobody knows whether that increase that they're piggybacking on what they have to pay for the added amount to the farmers is really justified. Nobody is willing to set up any machinery to force them to justify it. I suggest to you that is not a fair kind of proposition.

I know for sure the farmers don't think it is a fair proposition and the OMMB has many a time raised its voice on this particular issue.

I want to touch just briefly on farm incomes. The economic information produced by your economics branch recently had a brief comment on farm income, which, I

think, sets the context in which we can take a look at this: "Expenditures have increased and will continue to increase 10 per cent this year and six per cent forecast for next year." That's the expenditures for farmers for their production.

"The net effect has been a decrease in realized net income, \$863 million in 1975, \$710 million in 1976, down 18 per cent to a 1977 forecast of \$579 million, down 19 per cent."

We've had some forecasts with regard to what is likely to happen in 1978 and it's going to be down once again.

[10:00]

This brings us to the basic problem of farm income. You rather stubbornly refuse to bring in the kind of across-the-board farm income stabilization Act in the province of Ontario. We fought that battle and again I'm going to thrash that old straw. You refused to accede to what the major farm organizations were after. If you were going to get from that great general public out there, the 95 per cent who are not farmers producing the food, some deeper understanding of the justification for farm prices—which I will concede to the hon. member for Brant-Oxford-Norfolk have been too low and represent a lower percentage of disposable income than in many other countries in the world—what we have got to do is to encourage the development of formulae for pricing of as many products as possible. I have found, when I talk to non-farmers and explain to them, for example, the existence, details and the operation of the formula by which milk pricing is geared, that they understand it. They recognize that if the farmer doesn't get an adequate return he is not going to continue to produce milk and ultimately that they, the consumer, will suffer after that.

What one has to do is to encourage and assist marketing boards in every conceivable way to develop pricing formulae that are defensible. We have gone through a lot of flak in the last year or two as to whether or not, for example, the egg price formula under the Canadian Egg Marketing Agency was not too rich. There were hearings on it and we had evidence both ways. I think there was a fair justification of it. My only wondering, out loud, was that I think the CEMA formula is geared almost exclusively to costs of production. I believe there is an advantage in the milk formula, which takes not only the cost of production but also takes available income to buy that produce and other factors throughout the whole of

the economy: an economic formula rather than the cost of production formula. You can enlist the support of the public if they are told that the formula, that in effect decides what price the producer is going to get, takes into account not only his costs of production but the capacity of the consumer to buy it, too.

It is a broader formula. What is being done to promote that kind of thing? I view it, Mr. Chairman and Mr. Minister, as the most effective PR means of winning support throughout the rest of the community. I suppose it is not only a PR means, it's an educational means, because if you explain a formula: "This is the reason why milk prices have to go up," people understand it and think it is justified. I would appreciate your comments on that.

There are some things I would like to say in backing up the hon. member for Huron-Middlesex on this whole issue of the preservation of agricultural land, prime agricultural land. I am still persuaded that democratic policy that we have been advocating for the last few years is the right policy. I am encouraged to believe that that is the case by the fact that it is essentially the policy that the rural Ontario municipal association has put forward. I admit it was with a degree of mixed views in their own ranks, so that it isn't put forward with too much "vim and vigour."

However, it is also put forward by the Ontario Institute of Professional Agrolgists and it is put forward with a great deal of vigour as far as they are concerned. Recently, for example, at a meeting of the Ontario Institute of Professional Agrolgists, Jack MacPherson, who is, I think, the executive secretary of that organization, says there is no doubt that we will have a food shortage if farm land continues to disappear into other uses. And later, the news story carried in the Toronto Star on August 24, 1977, read: "Ontario's existing food-land guidelines will not save farm acreage from being displaced by housing or industry because they don't have the force of law." He said, "The guidelines also leave too much discretion in the hands of municipalities whose other short-term priorities are bound to override our long-time need for food."

Then Anne Golden of the Bureau of Municipal Research, which sponsored that conference last year, the full proceedings of which have been published in the very useful book, "Food for Cities," if I recall the title of it, said, "The provincial guidelines are mere gestures to the problem rather than a method of preservation."

This is notwithstanding your report that of the 99 replies you got, all but four of them were favourable. Everybody is in favour of the principle, unless you get some big developer. Everybody is in favour of the principle, but how are you going to make that principle effective? How are you going to implement it? There is widespread conviction and belief that your approach, up until now, hasn't been effective enough.

Let me make a comment or so on the Barrie episode because I think it is a classic indication of the problems in our effort to come to grips with the preservation of agricultural land. Unless and until we have, from the provincial government, some statement of overall provincial land use, we are not going to have any guidelines that everybody can discuss and of which everybody will be aware. We need guidelines as to whether or not it is even being considered publicly and thrashed out that you should gobble up much more prime agriculture and around the borders of Barrie.

I would agree with the comments of the hon. member for Middlesex that you'll have to forcefeed Barrie in the fashion no growth area has been forced in the past. There are no policies to indicate that is what the government is going to do in order to get to a population of 125,000 people in some year beyond 2000. You could meet all the growth needs of Barrie without this massive forcefeeding with the existing lands within the city of Barrie or with some marginal encroachment on prime agricultural land. I'm unhappy about that. I wonder how effective, for example, the letter you tabled from your food and development branch, indicating their desire to protect some of these lands has been, because the Treasurer doesn't pay any attention to them. He has been on record many times saying agricultural land will have to be sacrificed for all the rest of this development.

Mr. Acting Chairman: Gentlemen, please, would you extend the courtesy to the speaker. If you wish to hold a meeting would you hold it outside, please.

Hon. W. Newman: I'm sorry, Mr. Chairman.

Mr. Acting Chairman: Go ahead, please.

Mr. MacDonald: Windsor hasn't even got the advantage of Mississauga. There is no role in the doughnut, so there is no prime agricultural land down there to protect.

Hon. W. Newman: We have lots of agricultural land.

Mr. MacDonald: Only in the centre of the city. However, forgive me. Mr. Chairman,

you were on my side, and now I've mucked it up.

Mr. Acting Chairman: I'm not on anybody's side. Go ahead.

Mr. MacDonald: Let me come back to the problem in the Barrie situation. This may startle you when I say I think the Treasurer had every right to write to the Ontario Municipal Board and say, "This is provincial policy." Some time soon we have got to get a clear recognition of the fact that the Ontario Municipal Board is a quasi-judicial body which is implementing policy laid down by the government, hopefully with the consultation and the involvement of the Ontario Legislature. It is not their job to make policy.

A few years ago I had the privilege of being on the select committee that reviewed the whole Ontario Municipal Board, under the chairmanship of John MacBeth. We met with the chairman of the Manitoba Municipal Board, which is set up essentially on the same lines as our OMB. He made a statement I shall never forget. He said, "If I have a hearing and I'm not clear as to what government policy is, either in a statute or in a statement of government policy, from some one of the ministers, the Premier or some one of the ministers," he said, "I immediately adjourn the hearing and I write to the minister and I say, 'What's your policy?' When I know what his policy is then I, as chairman of the Municipal Board, will apply that policy to the given circumstances that are involved in that hearing. That's the function of the Municipal Board."

The problem in this instance was that nobody was sure what the policy was. Here, Mr. Minister, is where you've got to sit down and talk turkey with Darcy McKeough and others in the cabinet.

I know what Vern Spencer and others in the foodland development branch are promoting. Sure, it's in support of the general motherhood objectives of the guidelines, and you're seeking to implement it, but until you have a clear indication of what that policy means on the part of the government, the OMMB cannot do their job. They're exceeding their jurisdiction.

If Darcy McKeough and the rest of the cabinet are willing to accept it, including you, Mr. Minister of Agriculture and Food, if Darcy McKeough writes to the OMMB and says, "Look, it is government policy that we're going to gobble up those 20,000 acres of agricultural land"—

Hon. W. Newman: He wouldn't be writing to the OMMB; that's the Ontario Marketing Board. You mean the OMB.

Mr. MacDonald: Okay, you're right. If

Darcy McKeough writes to the OMB and says: "It is government policy that we're going to gobble up that agricultural land because I say we're going to forcefeed Barrie into 125,000 population in the next 25 or 30 years," they have to accept it. They're obligated to accept it. They have no right to make policy. They have no right to defy policy.

The problem is that we should have solved the policy issue back here. You should have solved it in cabinet. You and all the others who wanted to protect agricultural land should have fought it out with Darcy McKeough. It was you who should have been using the arguments that Jack Riddell was giving us this afternoon, and that many others have argued; that they don't need to gobble up 15,000 to 20,000 acres of agricultural land at this point to permit adequate growth for Barrie in the foreseeable future.

In short, our problem is that there's no policy. There's no overall land-use policy and in this specific instance there is no declaration of it. So the problem rests back in the cabinet. It rests with the clarification of an overall provincial land-use policy, and then you might be able to apply your guidelines.

Otherwise, you're applying your guidelines in the dark and they're subject to the ad hoc pressures of every powerful developer who can get the ear of a cabinet minister and so on. And don't look at me as though I was saying something that is heinous, that it doesn't happen, because we know it does happen.

Hon. W. Newman: That's your opinion.

Mr. MacDonald: It's not only my opinion, but it is the opinion that is spoken by everybody who gets into discussing land use—that it's subject to the pressures of the powerful, which violates the noble objectives that we have set out there for ourselves.

I am interested in getting this agricultural land protected. Let me just state one or two things:

I think the OIE is correct, I think ROMA is correct; and since our policy was an enunciation of what they're seeking—namely that you should pass a law to designate that class one and two, and perhaps class three, land has to be preserved for future food-land production. Then you should set up within that law the exemption procedures so that anybody who wants to use that precious food land will have to justify it.

If there is an alternative lower-class land which could be used, then they will use it and not gobble up that prime agricultural land. Or, if it happens to be something

that is of such prime importance in the community that it justifies using the prime agricultural land, fine. I don't think anybody is going to argue against it.

If you need to build a new hospital to serve a community and it is going to require 75 to 100 acres of prime agricultural land because you want to set your hospital down in the most strategic and convenient place in the community, nobody is going to argue about using that, but at least you assessed it carefully.

I suggest a law which says you designate class one, two and three land with the machinery for considering exemptions was the way to go at it. But you're not going to do that. You won't do it. Okay, let's live with what we've got to live with, that is, God help us, that you're empowered and you're not going to do it.

[10:15]

Let me suggest an alternative. I was fascinated a week ago this past weekend to attend a symposium at Massey College sponsored by the Ontario Conservation Council discussing population policy for Ontario. In connection with that they took a look at the impact of energy and a look at the impact of land use, particularly prime agricultural land use.

On one of those panels was Steve Rodd from OAC, whom you know and most of us are aware of his work in this field, and Len Gertler. Len Gertler made a suggestion and suddenly, like Saul on the Road to Damascus, I thought the light was dawning. I thought I saw a way out of the impasse, a way to get you to do what I think has to be done when there is every evidence that you are not willing to do it.

He reminded us that in Denmark the law, within a broad framework of land use, indicates where development should take place, and it's not on prime agricultural land, so that the overall broad pattern protects agricultural land, but then the details of working it out are left to the municipality. That is what you insist upon.

I don't really object to the municipality doing it, because, God help us, if Queen's Park tried to decide on what every acre of land is going to be used for out in "Podunkville". They don't know anything about it and they are doing it from books and maps, many of which are inaccurate because our Canadian land inventory maps are, in many instances, not up to date, they need to be brought up to date.

However, what they do in Denmark is they have a law which spells out the process

by which you would achieve this; and the thing suddenly dawned upon me—do you know what the process is? God help me it is the methodology out of the Huron county study; the Huron county study which was completed about two years ago at an expenditure of \$120,000, I think \$80,000 of which was put in by this government. Other than a benching by you and a passing reference to it in your paper last year about protecting agricultural lands, I have not seen any real evidence that you are doing what that study said.

They came up with the answers to what should be done in Huron county, but more important they come up with a methodology which could be applied more widely, in other counties all across the province.

I am informed it was that methodology that was used, for the most part, down in Northumberland. Now that is good because with all respect to my good friend from Huron-Middlesex (Mr. Riddell), Huron county is not the toughest area to cope with for encroachment on agricultural land. You have not got the pressures you have around the Golden Horseshoe or down in Northumberland. You have got a bit of pressure around Goderich, but the rest of it is relatively without pressure.

Therefore Northumberland, where you have all these growing pressures, was one interesting experiment with an application of the methodology all across the province of Ontario? Let me put it more specifically. I don't know what proportion of southern Ontario—let's deal with southern Ontario where the real problem is—is now covered by regional government, but I think I am correct in stating that the regional government Acts stipulate that every regional government within five years must come up with an official plan, and involved in that is the protection of prime agricultural land.

Are you pressuring to see that is done? Are you, through your food and development ranch and through your pressure in cabinet, making certain they are moving quickly to implement it for that rather sizeable chunk of southern Ontario that is covered by regional government and, in which therefore, there is this obligation under their statute?

Secondly, to the extent that regional governments are not covering many of the rural counties and they don't have official plans, what are you doing to make certain that methodology is being applied and perhaps giving a little bit of financing, giving some sort of help to make certain they are moving in these rural agricultural counties.

Let's come back to the Huron county

study. What the Huron county study didn't say was we will protect all class one, two and three land, because that got into CLI details, and the CLI sometimes is out of date.

What they said is this: You should block out priority areas. You will have an area in which you will say this is an agricultural priority area, which means it is going to be protected for agriculture and no development within that area will be permitted that is in conflict with agriculture.

Secondly, you can have a recreational area where the dominant thing will be recreation, but you may have some agriculture within that area. It may be there forever, or it may be there temporarily and will have to be phased out depending on the intensity of the recreational development.

In some parts of southern Ontario you will have a third priority area, namely mineral and forestry. That won't be covering your neck of the woods, Jack, it will be in eastern Ontario where you've got forests and you've got the potential of mineral development.

Finally, you have your urban priority area. If you follow the Danish approach, and I'm just suggesting this for your consideration, put the urban shadow in the urban area. In other words dealing with that belt around Goderich, the Huron study said it was really significantly compromised for agriculture, because ultimately, as Goderich grows, it's going to be increasingly urbanized. In that shadow you can carry on agriculture, giving farmers within it a 10, 15, 20 or 25-year leadtime as to when certain sections of it are going to be phased out; but it is established as an urban priority area.

Why can't you specify this methodology within an Act and say this is what is going to be followed. With the example of Huron county and with the application of the methodology in Northumberland so you have some sort of guidance, you then have some backing in law. Then it's up to each of the local municipalities, regional governments or counties, to get at the detail work. I agree they are the people who've got to do the detail work, subject ultimately to the supervision of Queen's Park and approval by Queen's Park.

I'll be very frank with you, Mr. Minister, I haven't had time to think through the implications of all I've said. But I repeat, like Saul on the road to Damascus, after listening to those people over at that symposium, I suddenly have a feeling here's a way to go at it to which nobody could object. Here's a way to give some backing, by force

of law, to achieve the objectives of your green paper and its particular proposals.

Let's have no illusions, it's going to mean some other things. For example, the Minister of Housing and yourself joined forces in the 1975 election and told the regional government in St. Catharines they had to pull back their boundaries because they were eating up too much prime agricultural land; indeed the prime of prime agricultural land, irreplaceable fruit lands. You said to them they should also begin to work now on redirection of growth onto the less valuable lands in the southern part of the Niagara peninsula.

That can be done everywhere, but it can be done only if at the government level, you don't just pass the buck to the municipalities, but sit down and work out a policy involving financing for the servicing of that land, so when the developer comes to somebody in the city of St. Catharines and says I want to develop something on that fruit land, you say nix, that fruit land is going to be protected because it can't be replaced, if you want to develop something here's a lot of land and it's serviced and it's ready.

I remember a year or so ago I went to a meeting of, I think they called it the Central Ontario Group of Agrologists, and the planner from North York was there. He was making this point very vividly. He said if you want to reduce the pressures from people who are trying to eat up more and more of our prime agricultural land, it's really very simple. You have alternative sites for development already serviced, and when somebody comes and tries to get the agricultural land you say, "No, it's going to be protected; the law of the land dictates it should be protected; there's where you can develop, over on that other land; it's lower class and we're not going to destroy a basic, precious asset; it's serviced and it's ready to go."

There's no argument with him, he goes. He's not going to buck and try to pressure the municipal council; and maybe finance the election of the next municipal council to get more friendly types in and all the processes that go on. He will go and build because he wants to build and make money. He'll do it on the land designated for that purpose.

I know you're waiting until December 31 to get all the responses to your food land survey, but I suggest, Mr. Minister, that the kind of thing that Gertler and Rodd were talking about is the kind of thing that George McCague had in this bill, and

George McCague is in your cabinet. So perhaps if you and George McCague go together you might be able to balance Darcy in his fiendish desire to have development and to hell with the prime agricultural land in the process.

Now, Mr. Chairman, I just want briefly. I think I can do it in three minutes—to do one final thing. I want the minister's response, if he can give it to me—if he can't perhaps he can give it to me when we go to the estimates later—I was fascinated by this volume which has just come out, in September, 1977, Relative Rates of Resource Returns on Ontario Commercial Farms from 1971 to 1974, A Comparison with Non-Farm Businesses, by Jack A. Gellner and George L. Brinkman. Within the two minutes I have before our time of adjournment, what is the effect they have come up with is a comparison of commercial farms in Ontario. There are a lot of things in this study that I think are open to criticism, and later I think we can discuss them in the estimates.

In comparison with other small businesses they come up with the conclusion that for the big commercial farms, are better off than the small businesses. That wouldn't be saying much, because if there is one disadvantaged, down-trodden, poverty-stricken group in our economy other than farmers it is small businessmen. It is interesting that they chose to make that comparison.

The big commercial farmers are better off. The middle bracket of commercial farmers are almost equal. The smaller commercial farmers are at a level of 73 per cent of what the small businessman is making.

They go into a lot of calculations and include in this capital gains the farmer makes. This strikes me as a very phoney proposition, to include capital gains on the farmer's gross income. You can't eat a capital gain. The only way you can eat a capital gain is to sell your farm, and then you're no longer a farmer. However, that is in there.

The point they make is that this has very serious implications for agricultural policy and how you zero in to help the groups of farmers who are most disadvantaged.

I don't know whether you are familiar with this and can react to it. You certainly can't now if we are going to adjourn, but I wonder if you can get some sort of a reaction before we get to the appropriate section in our estimates later, if not in your response to me when we resume on Wednesday. I would like to have said much more on this and I'll do it later, but I can't do it now.

Mr. Acting Chairman: Are you finished, Mr. MacDonald?

Mr. MacDonald: I am.

Hon. W. Newman: Can I ask, Mr. Chairman before we adjourn, are we sitting Wed-

nesday morning, Thursday morning and Friday morning? Is that correct?

Mr. Acting Chairman: That's what I understand.

The committee adjourned at 6 p.m.

CONTENTS

Thursday, November 10, 1977

Motion to adjourn, Mr. Riddell, agreed to R-751

Monday, November 14, 1977

Opening statements: Mr. W. Newman, Mr. Riddell, Mr. MacDonald R-753

Adjournment R-779

SPEAKERS IN THIS ISSUE

Dakins, J. (Victoria-Haliburton L)

Jennessy, M.; Acting Chairman (Fort William PC)

Jane, J. (Algoma-Manitoulin PC)

MacDonald, D. C. (York South NDP)

McKessock, R. (Grey L)

Newman, B. (Windsor-Walkerville L)

Newman, Hon. W.; Minister of Agriculture and Food (Durham-York PC)

Nixon, R. F. (Brant-Oxford-Norfolk L)

Riddell, J. (Huron-Middlesex L)

weeney, J. (Kitchener-Wilmot L)

Willeneuve, O. F. (Stormont-Dundas-Glengarry PC)

Wildman, B. (Algoma NDP)

Ministry of Agriculture and Food official taking part:

ennett, R. G., Deputy Minister



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Official Report (Hansard)
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Resources Development Committee

Estimates, Ministry of Agriculture and Food



First Session, 31st Parliament

Wednesday, November 16, 1977

Speaker: Honourable John E. Stokes

Clerk: Roderick Lewis, Q.C.

CONTENTS

A list of the speakers taking part in the debates in this issue of Hansard appears, in alphabetical order, at the back of this issue.

Daily contents of proceedings also appears at the back of this issue. Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff. Phone 965-2159.



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LEGISLATURE OF ONTARIO

WEDNESDAY, NOVEMBER 16, 1977

The committee met at 10:12 a.m.

ESTIMATES, MINISTRY OF AGRICULTURE AND FOOD

(continued)

Mr. MacDonald: Mr. Chairman, I want to deal a bit more substantively with the last point that I was on when 10:30 crowded in on us, because I think it's potentially an important issue. It's in the context of what I was trying to do in my lead-off remarks, and that is to sort of get at basic policy of the ministry for a review of it.

There's one other issue I'd like to come back to briefly before I hand the shotgun over to the minister. At the adjournment hour, I was referring to this new publication put out by the school of agricultural economics and extension education at the Ontario Agricultural College at Guelph. It's entitled "Relative Rates of Resources Returns on Ontario Commercial Farms from 1971 to 1974—A Comparison with Non-Farm Businesses" by Jack A. Gellner and George L. Brinkman.

As we all know, there's been considerable discussion for years—it's constantly recurring—about the relatively poor returns in agriculture as compared with a comparable investment in other businesses. Therefore, I must say I was personally very interested in hearing that this kind of study had been made. I must say I'm a little concerned about the premises upon which they based it, and I think maybe a remark or two should be made here.

To compare agriculture, when you want to come to a conclusion as to whether or not they're getting fair returns, with that sector of the economy where I think it is generally conceded you also have the lowest possible returns—namely, small businessmen who have got their backs to the wall increasingly with the development of large supermarkets and things of that nature—is a little questionable. However, it's fair enough. Small businessmen are important. In the Legislature we're concerned about developing that sector of the economy. But I think we should bear in mind the fact that it's almost comparing poverty with poverty when you use that as our yardstick.

Secondly, there's a procedure in this that I must say I find very bizarre. They insist on including capital gains on the value of the land in farm income, and then using that total of his gross income, including his capital gains, as a comparison with the small businessman. I suppose in one sense that's true but it's in keeping with the tradition that a farmer lives poor and dies rich because, while his farm may be appreciating in value, until he sells it he hasn't got anything. You can't live on the capital gains of a farmer unless you sell the farm, and when you sell the farm, you're no longer a farmer—or at least you yourself are no longer a farmer.

Hon. W. Newman: I didn't hear that last remark.

Mr. MacDonald: No, it wasn't you.

Hon. W. Newman: I thought you said I was no longer a farmer.

Mr. MacDonald: It was "you" in the broad sense. You're horribly defensive this morning.

Hon. W. Newman: Sorry, I didn't hear what you said.

Mr. MacDonald: I see we're in for a lot of trouble. I was using "you" in the broad sense of the farmer; if he sells, he's no longer a farmer.

Hon. W. Newman: I just want to make sure the record is straight.

Mr. MacDonald: Just briefly, to state the case they made, they divided farmers into three categories of commercial farms. Incidentally, they start commercial farms at a gross income of \$15,000. That's an awfully small commercial farm with a gross income of \$15,000. Their lowest category is \$15,000 to \$25,000, their middle-bracket category is \$25,000 to \$50,000 and their large commercial farms are over \$50,000. I would think any dairy farm of any size is going to have over \$50,000 gross income.

[10:15]

The results they came up with were interesting enough. Overall, farm incomes are 96 per cent of small business incomes—fairly close to being comparable, but a little below. But, if you break it down and get into the

larger commercial farms—over \$50,000 gross—their returns are 1.19 per cent. In other words, on the larger commercial farm, they are a fifth larger than they are in the small business world. In the middle bracket, it's almost dead on—the same returns. If you get into the smaller commercial farms—\$15,000 to \$25,000—the returns are 73 per cent. But, included in those figures are capital gains, and capital gains represent 35 per cent of a farmer's returns, so they calculate it.

They then draw some conclusions. The point I wanted to draw to your attention, Mr. Minister, is that if their case is valid, their following argument is valid:

"The study results also have implications for agricultural programs and policies. First, given that the returns ratios are quite close to one per cent during the sample period, agricultural programs should not focus on additional bolstering of general agricultural returns through increased subsidization of the industry."

Their argument is that if you increase the subsidization of the industry, it's the big commercial farms that walk off with an even bigger profit and even bigger returns because they're marketing more, while the smaller farms, which need the help, are getting less and, therefore, subsidization is less helpful; so your assistance should be focused in terms of those whose need is greatest, namely the smaller farmers.

The study states: "Rather, a variety of programs may be needed to deal with the problems of different groups of farmers, including special assistance for small farmers and management training for less efficient operators."

I would assume that one of your arguments will be that you're now doing that, to some extent, through your extension program and all the efforts to increase efficiency in management and things of that nature.

Finally, they argue: "Since capital gains represent an important component of farm returns, programs such as refinancing may be warranted to help farmers utilize their higher assets values for current production and consumption." It may be that if you're not familiar or if your branch hasn't had time to examine all this—although I suspect they've been aware of this study in the mill—you won't feel you're in a position to respond today. But, assuming this study is valid, I think there are a lot of policy implications in it. I'm really asking what you deem those policy implications to be. I suppose there are really two questions: Do you

agree the study is valid, and if so, what are the policy implications?

I mention this for another reason, Mr. Minister. I never forgot—because it struck me as being outside of the conventional wisdom and chatter in the agricultural establishment—a comment of Dean Richards when he did a study of the whole organization of the ministry back in 1973. He had a comment which pointed to the fact that a great proportion of your farmers are part-time farmers. I've heard the figure, by way of illustration, and I don't know how accurate it is, that far more than half of the farmers who are part-time farmers are only producing 20 per cent of the produce. The full-time farmers are producing 80 per cent of the produce.

I suppose there's some justification in your policy of being focused at the group producing most of the produce. But he came up with the opposite conclusion. He said it was not right that a shaping of policy at the ministry level should ignore those people. Specifically, he said: "A trend where some farmers are not attaining sufficient income to adequately meet their needs will probably continue to increase." In other words, more and more farmers will be part-time. They've got to seek alternative income elsewhere.

Continuing the quote from Dean Richards' report, on page 18 he said: "This is perhaps the biggest challenge facing the ministry in rural Ontario over the next decade. The development and updating of government policies will be required to effectively deal with the marginal farm operator and low-income rural dweller."

Dean Richards made that point in 1977 and by implication Gellner and Brinkman are saying the same thing: Policy should be shaped to meet the needs of the farmers who really have a need. Don't listen so much to the big boys who are corporate farmers of one kind or another, who have enough control over the market. They are really getting an adequate income.

As the study indicates, relatively speaking, they are distinctly better off in any comparison with the small business world. I like your response because I hope you will agree it has implications.

Let me just go back a little. The other evening, when I was talking about milk prices and what this government is now doing to control milk prices beyond the farm gate, I referred to the studies of the Food Prices Review Board indicating that milk in Ontario generally, and particularly in Toronto, is up to two cents a quart more costly than it needs to be. I said the same

nd of conclusion had come from the Milk Commission after it had done its long study over a period of almost two years—an unconscionable length of time. They came up with a report, and the minister denied what was saying was correct.

I went back to the record and I can see how the minister denied it, because I think even the minister has been a bit brainwashed by this whole process. I happen to have seen the press release put out on the basis of the report that finally came from the Milk Commission. Just let me read it to you.

"Agriculture and Food Minister William Newman released today the report of an inquiry into fluid milk prices. The Milk Commission of Ontario, which carried out the inquiry, has concluded that the profits realized by fluid milk processors in the province during the period 1971 to 1975 were not reasonably high. Also it concluded that the profits were not excessive and the public did not suffer as a consequence.

The commission, in its 183-page report, rejected price controls as a method of regulating wholesale and retail prices of milk. The report recommends, however, careful monitoring of the milk industry"—and so on and on it goes.

One would wonder if the comments were from the same report. Let me show you the report to Star. Same report! They weren't brainwashed. The report is, "Milk Drinkers Overcharged by \$19 Million". In case you think that was one paper going off the deep end, here is the Globe and Mail: "Retailers Overprice Milk by \$15.5 Million in Two Years". They got the real quotes out of the reports, not the ones missed and not included in your press release at all. They got the real quotes.

Let me give you the first paragraph in the Star story: "Ontario consumers paid between \$9 million and \$38 million too much for milk between 1974 and 1975, according to the study." The \$19 million and the \$38 million relates to one cent a quart or two cents a quart. That is the span. The different figure the Globe came up with was \$5.5 million in the two-year period.

The report by the Ontario Milk Commission said, "Retail markups were unrealistically high". That was in the report. There was no mention of it at all in your press release. Pardon me for putting it in personal terms but if this was produced by Don Beene, he certainly was seriously encroaching upon the standards of the Canadian Press, on which he was raised, in terms of balanced reporting. The report says prices to the consumer were unrealistically high. You ignored

it totally in your press release. What was the purpose of the study? Let me proceed in the Star:

"The report by the Ontario Milk Commission said retail markups were unrealistically high during 1974 and 1975", and then they quote: "They found no evidence to indicate that the profits they"—the milk producers, distributors and retailers—"realized were excessive." Here is a mass of double talk. "The commission reported that retailers would still have realized"—this is the commission not mentioned in your release—"adequate markups in fluid milk if they had lowered prices by a cent or two per quart." That was the conclusion of the commission. It was the purpose of the commission to find out whether the prices to the retailers were too high. Now what are you going to do about it?

Our problem here, Mr. Minister—and I say it in the presence of the chairman of the Milk Commission—is the same problem with your Food Council. You have a group that is representative of the whole industry—I suppose that's fine—but that group is incapable of really representing the interests of the farmers per se without so compromising their conclusions that you come up with something that is bland and meaningless or incapable of representing the interests of the consumer per se.

If there have to be compromises between the producers, the consumers and the processors midway along the stream, you at the ministerial level in the government are the people who should sort out the compromises between groups within society, and not the agency that is advising you.

Maybe I can make my point by way of an analogy. I remember years ago hearing a speech by Wilf Eggleston, whom some of you may recall—a distinguished Canadian journalist who was appointed chief censor in Canada during the war. He was speaking to the Canadian Authors Association, the people who produced things. He had a wonderful little equation: "One author plus one censor equals nothing." You can produce all you want but if you have got a censor, you cancel it out.

What I am suggesting is that if you have a Milk Commission which is asked to take a look at retail prices, and the Milk Commission sits there and anguishes for 18 months because on that commission you have the processors and other people who are more spokesmen for the processors than they are spokesmen for the consumers or the farmers, you are going to come up with something that adds up to nothing. Certainly you'll get

nothing in terms of the initial objective to find out whether consumers were paying too much.

Your problem here, as is conceded in the Milk Commission report, is that the processors allegedly weren't making too much profit. The AIB came to a different conclusion, that some of them were making too much profit but that they weren't making too much profit. Even the Milk Commission said that the retailers and wholesalers were making too much profit on milk; they were using their excess profits on milk to bolster their losses elsewhere throughout their wholesale procedure.

I come back to the point that really provoked me into raising the whole thing. If you listen to your milk producers, they recognize and face the fact that if your prices are too high, it cuts consumption and therefore undermines the whole credibility and viability of the industry to some extent. They are spending \$2.8 million a year in promotion of their own product so they can maintain their share of the market. Excess prices at the retail level hits at consumption, results in milk surpluses and so on.

I come back to my basic contention, despite what the Milk Commission would say. I am not surprised that the Milk Commission, which is dominated by two groups who are not interested in controlling prices, will come up with the conclusion that you shouldn't have any price control. But ask the Milk Marketing Board, and it will say that if you are going to have a measure of control over price to the producer, then it is legitimate that you control the price, as is done in most other provinces across this country, right through to the retail level too. At least examine it and not just monitor it.

As the Milk Commission said in its report: "When monitoring, it means nothing." God, if it took them 18 months to do a study of a relatively simple little thing, monitoring of it is a process that will go on from now until doomsday with periodic reports and no results flowing from it.

Hon. W. Newman: Mr. Chairman, I would like to start back at the beginning of Mr. MacDonald's remarks and make a few comments about some of the things he brought up as he went along.

[10:30]

One of the first things you talked about—and I think it's very important—was loyalty in terms of buying Ontario produce and the promotional program. I think I covered this when I answered the Liberal critics, but you said—and again this is very important—who is running the province, Darcy McKeough

or myself? You got into the situation about freer trade, saying he advocated freer trade, which was contrary to what I had been saying.

I would like to clear the record on that point, because I think it is very important. I have had many meetings with Mr. McKeough on this and I would like to quote directly from a speech he made this year:

"One of our most important ongoing tasks, then, is continuing to pressure the federal government to revise our antiquated system of specific agricultural tariffs to an ad valorem system more in line with competing nations. We have made a strong presentation to Ottawa regarding the current round of GATT negotiations, encouraging them to make an aggressive case for our producers in terms of equivalent protection and pure unilateral concessions to our trading partners." That's directly from his speech.

He was really talking about having, in the agricultural industry, some sort of reciprocity as well as seasonal protection, and he has gone on record as saying that and supporting the program. The tariff committee report on fresh produce—I think it is number 152—recommends certain tariff structural changes which have been endorsed by this government. We have sent a letter to Ottawa. I sent a letter on behalf of the government endorsing 152 as far as agricultural products are concerned.

When we talk about freer trade, I think it is very important to consider, for instance, that the European Economic Community has perhaps the strongest barriers in the world as far as protecting their farmers from imports is concerned. We often think of the United States as a great free trader. But what did they do about sugar just the other day? The President of the United States moved on that. They are the greatest protectionists in the world as far as protecting their agriculture producers is concerned. Japan, and her major trading partner, also has barriers it can put up.

When we are talking about freer trade, we mean freer access for our commodities in Ontario and Canada to those countries. Actually, you could be shipping a boatload of commodities, whatever they may be, to England and a tariff barrier could be put up by the European Economic Community before that boatload even arrived there.

It's important that you understand Mr. McKeough's point of view, which you dwell on at great length. I want to point out to you that he supports, and the government supports, exactly what we are doing in the tariff

field. I have the endorsement of the government for everything we are doing.

Mr. McKessock: To whom was Mr. McKeough making that speech?

Hon. W. Newman: To the Community Planning Association of Canada.

Mr. MacDonald: I don't want to get into extended debate here.

Hon. W. Newman: May I continue, Mr. Chairman? I listened very quietly and attentively to the other ones. I don't mind comments but—

Mr. Chairman: Go ahead.

Mr. MacDonald: All I want to say is, sure, Mr. McKeough may have said that in one speech, but does the general public think that's what he's saying? The general public thinks he is pressing for freer trade.

Hon. W. Newman: He said that, but you will notice in a speech he made the next week—it was quoted in the paper, although don't have it here with me—he indicated here are certain areas where there will have to be some tariff changes. He indicated we're going to need seasonal tariffs in agricultural commodities. Certainly he is not advocating freer trade except for us, and I'm talking about Canada, which directly affects the province of Ontario.

Mr. MacDonald: What are you saying? You want freer trade for our products to go there but you don't want freer trade for their products to come here? Free trade is a two-way street.

Hon. W. Newman: No, no, will you let me finish?

Mr. MacDonald: You are going to get yourself hung up.

Hon. W. Newman: The way it is now, it's not a two-way street. That's the problem. What he is saying is we should have freer access to those markets which we are denied today; that's very clear. If you were to ask me some questions in the House, I am sure we would verify that.

As you know, I had a meeting in Ottawa—with the blessing of Claude Bennett and Mr. McKeough—with the appropriate ministers in Ottawa to discuss the whole matter and to make a presentation. We had the president of the Federation of Agriculture and others there to make our presentation on this. I went down with the full blessing of the government of the province of Ontario when I made that presentation on GATT. I want to hear the air on that. You were talking about overseas promotion and what we are doing about it.

Mr. MacDonald: No, what's Mr. McKeough doing about it?

Hon. W. Newman: What's the Treasurer doing about it? As you know, I went to Japan and I came up earlier with the Premier. As I said, he was at all the meetings and we talked. I think I answered this question for the Liberal critic.

We have a great potential for pork exports in Japan and probably for some tobacco. We had an in-store promotion when we were there. That same person had 72 chain stores and will be in Canada buying more commodities very shortly. It was a very successful promotion. He intends to put them in all 72 stores. These are all Ontario products. We have a potential increase in our edible soya bean market of about 1,000 per cent. We have a possibility of supplying the wine industry in Japan with sparkling wine or, in the words I used the other day, fun wine. There's a place for it there.

Also, we have a great market in Japan and in other parts of the world for breeding stock, Holsteins and beef cattle.

Mr. MacDonald: I agree with you on all that. But, with respect, you're not answering my question. My question was, do you agree with the Treasurer when he says that all of this external promotion should be wiped out and the provincial government shouldn't be involved in it?

Hon. W. Newman: I would say that if the federal government was fulfilling its responsibility instead of just worrying about selling Canadian wheat, I would be glad to get out of it; but it's not.

Mr. MacDonald: Does the Treasurer think the federal government is fulfilling its responsibilities?

Hon. W. Newman: No.

Mr. MacDonald: Then why is he saying it should be wiped out at the provincial level?

Hon. W. Newman: I agree. If they were fulfilling their obligation in Ottawa, I'd be quite happy to say: "Look, why aren't you over there trying to sell our commodities?" I don't want to throw any aspersions on any of the federal officials who were there or anything else, but their knowledge of agricultural products is somewhat limited at times. If somebody is not going to sell our products, we have to go out and sell them. All the other provinces are doing it because there is not being adequate work done at the federal level.

Mr. MacDonald: I agree with you, but I wonder why the Treasurer is saying we should wipe it out and that that's how we can save money.

Hon. W. Newman: I would be prepared to do that if Ottawa would fulfil its obligation. You think I have a great job, but I'll tell you I would never go on another trip like that as long as I live because we had so many meetings.

Mr. Wildman: Even to Tahiti?

Hon. W. Newman: Do you want me to tell you about Tahiti? We crossed the international date-line and we had a day and a half off in the whole trip. That's where we picked up Tahiti.

Mr. Wildman: I wasn't begrudging you that. I was just wondering if you didn't like that part of the trip either.

Mr. MacDonald: Besides, if you find it too onerous, I'm sure the opposition critics will go in your stead next time.

Mr. Riddell: We must not forget that there are 10 provinces under the jurisdiction of the federal government and there's one province under your jurisdiction.

Hon. W. Newman: Right.

Mr. Riddell: Why should you feel you should be placing the entire onus on the federal government to sell Ontario's products when, my God, they've got to sell products from all the provinces in Canada? You've got a responsibility.

Hon. W. Newman: I said if they were doing an efficient job, there wouldn't be nearly the need for provinces to get into this situation in selling their products.

Mr. MacDonald: Fair enough. All I was saying was that the Treasurer has said we should wipe this out. On the basis of the past experience and likely future experience, you still feel that the province should be in the field. What is he shouting restraint on this issue for?

Hon. W. Newman: He certainly hasn't restrained me from going abroad to try to sell our agricultural products. Maybe we shouldn't have sold as many beans.

Mr. Riddell: And you should continue to do so.

Hon. W. Newman: That's right. I certainly would like to tell you that when we go on another one, whenever that may be, depending on the hours you want to sit in the House—according to you, we may never get a chance—I would be glad to have somebody go along with me. I have nothing against someone else taking in one of our grinding situations. I'd be glad to take someone along.

Mr. MacDonald: Maybe the Treasurer was just grandstanding before the budget in the last election when he made that statement.

Mr. Hennessy: You never grandstand.

Hon. W. Newman: You mentioned the Ontario Food Council and the food basket. Are you suggesting that we list the stores from which we buy the commodities and lay it all out so that everybody knows what stores we buy from?

Mr. MacDonald: Right.

Hon. W. Newman: If you want to analyse it, have you ever looked at it from the point of view, if the stores knew what we were buying from a particular store, of what would happen to that commodity the next time we go around to that store and buy that same commodity?

Mr. MacDonald: Sure. It would be down in price.

Hon. W. Newman: That's right.

Mr. MacDonald: That's the object of that whole exercise.

Hon. W. Newman: Then you don't have a true reading at all and that's why we don't do that.

I'm jumping around here because I'm having a little trouble. You were talking about the Ontario Food Council and the involvement of the producers and the consumers. One of the things you forget is that if we don't have these programs in this ministry in the long run we stand to lose a commodity—and I would use sugar beets, which happened a number of years ago, as an example. We're completely at the mercy of offshore people. I think it's very important in the long run, too, that the consumers protect themselves in the future by buying Ontario commodities now.

Mr. MacDonald: I agree. But your predecessor didn't agree and let the sugar industry go down the drain.

Hon. W. Newman: No, that's not quite true. I'm going to defend my predecessor on that one because he was for saving the sugar beet industry. There was no national policy set up on the sugar beet industry and that's why it was lost.

Mr. MacDonald: Oh, those bad Liberals in Ottawa.

Hon. W. Newman: I'm not sure who was in Ottawa at that point in time. I can't remember the exact date that it happened.

Mr. MacDonald: It was the mid-1960s.

Hon. W. Newman: You were talking about formula pricing for milk and about the Milk Commission. I think you brought it up again this morning. You also referred to the news release I put out, and I must say that I had a fair amount of input in that news release.

I don't back away from it. Every news release goes out of my office, unless it's a recipe or something.

Mr. MacDonald: Do you think it represented the report?

Hon. W. Newman: If you look at page XXVI of the report, the principal recommendations of the Milk Commission are there for you to see. There are four of them. The major one is number one. I could read it again. I think you touched on it this morning.

"Do we believe that a general marketing system for fluid milk is relatively efficient, progressive, flexible and equitable? Based on this inquiry, the Ontario fluid milk industry feel that the imposition of wholesale and/or retail price controls on fluid milk is not justified at this time. We believe that most Ontario fluid milk consumers have considerable choice with respect to the type of milk they purchase and the supplier from whom they purchase it."

There is the odd case where there is a bit of a problem in the province but that's an interjection of mine.

"Providing they make their choices wisely, consumers should be able to obtain milk at reasonable prices, whether it be homo, two per cent or skim. However, from time to time, in certain markets there may be a lack of effective competition, which results in consumer prices being higher than necessary."

That's the principal recommendation of the Ontario Milk Commission.

Mr. MacDonald: That may be the principal recommendation, Mr. Minister, but the principal conclusion was that at the retail level the prices were "unrealistically high and would still have realized adequate mark-ups in fluid milk if they lowered their prices by one cent or two cents a quart."

Hon. W. Newman: This is where you and I probably would disagree philosophically. You would control the price of everything, and I would not control the price of everything.

Mr. MacDonald: Mr. Minister, don't misrepresent my position.

Mr. McNeil: Nationalize the cows.

Mr. MacDonald: I said your account of the Milk Commission study was not a balanced account, because the Milk Commission said that at the retail level the prices were "unrealistically high." That was the whole purpose of the exercise—to find out if they were unnecessarily high and do something about it.

All you are saying is that you ignore their conclusion that they were unrealistically high

and you are going to do nothing, because that involves—

Hon. W. Newman: You can talk about so many hundreds of millions of gallons of milk that are sold here and use the figure of one cent a quart to come up with some figures, but there is no indication in the process that they're making too much profit. This is where you and I would part company as far as philosophy is concerned. You would want to control the price of milk at the store level; that's what you are saying, right?

Mr. MacDonald: Right.

Hon. W. Newman: Okay. May I just go ahead? If you want to interject along the way, I don't mind a bit.

You were also talking about farm incomes. I will touch on that a little later when we get to this report which, by the way, we just received in my office. I guess you have an inside "brown envelope" track, because it only came into my office yesterday, November 15. I'm glad you have such good connections on that matter.

Mr. MacDonald: It came out two months ago. I thought you had good connections with the OAC, if they're clogged to the point that it takes two months for something to get there—

Hon. W. Newman: It was done by a graduate student for his thesis. He received funds from Agriculture Canada to do a thesis. I decided to bring that up in passing. We just received it officially yesterday, November 15. My copy is already stamped.

I just wanted to let you know that. I'll comment on it later.

[11:45]

You talked about farm incomes being down and expenditures being up. You are quite right and I couldn't agree with you more. And I am concerned about it, as is shown by our overseas promotion, our local promotion, our stabilization program and our cow-calf program. What I'd like to point out to you here is that there are some things happening in Ontario and in Canada. We have a stabilization bill. We have the cow-calf program, which will eventually come under the stabilization bill. We have a federal stabilization bill, which has certain named commodities and certain commodities that are not named but come under it from time to time. Manitoba has a program, as do Saskatchewan, Alberta, British Columbia and Quebec.

I'll tell you what we're really trying for. At the last federal-provincial conference we in this ministry, on behalf of this govern-

ment, presented a paper suggesting harmonization and stabilization across Canada. It should be on a national basis and we are prepared to participate. We think the farmers should participate and the feds should participate.

As a result of that paper, a special committee has been set up by the federal deputy minister, Gaetan Lussier, in Ottawa, to try to work out some harmonization. They've had how many meetings? I think you're on that committee, Mr. Bennett, are you not?

Mr. R. G. Bennett: We've had our first original meeting; the second one is next week.

Hon. W. Newman: The second one is next week. This committee is working to try to get the provinces to pull together on a truly national stabilization program, which I think is where it belongs, because all we are going to do down the road is balkanize one province against the other and it's going to create serious problems—maybe not this year or next year, but down the road.

That's our goal and I've said it publicly. If we get a truly effective national stabilization program across Canada, I'm quite prepared to scrap our bill. That's down the road, and until such time as that happens, we have ours in place.

You talked about several other things, including prime agricultural land, I can't quote you verbatim, but in effect you said we should legislate, under the food land guidelines, classes one, two and three of agricultural land; it should be legislated and it should be locked in there. Then you go on further to say the Huron county study is a great study and this basic concept is great. I'd like to refer to you to the food land guidelines, chapter 4, "Agricultural Designation and Associated Policies," where there is a footnote: "This concept is amplified in Countryside Planning, a pilot study of Huron county, prepared for the county of Huron and the province of Ontario by James F. Maclaren, environment consultants, published by the Ministry of Housing, government of Ontario."

Mr. MacDonald: I acknowledge that.

Hon. W. Newman: Okay, if you acknowledge it, why do you say one thing and then say something else? You say to legislate it. Huron county has come along and done an excellent job, and I must give the county a great deal of credit for the job it has done. We've actually incorporated in our guidelines, by and large, what Huron county has said. We've done it. Yet you say, "Go ahead, legislate it," and then you say, "Follow Huron county example." I really don't know exactly what you do mean on that.

Anyway, I just point out to you that you talk about local autonomy. I happen to believe in local autonomy and you're saying the province should legislate land in classes one, two and three. I have to say that local autonomy is very important. I should also say that our food lands branch had been working very carefully and very closely—we've got an understaffed and overworked staff—with municipalities, counties and regions throughout this province.

On the official plan in the Durham region, where I live—and I only use it for an example—there have been many meetings with our people and with the planners. The official plan is now before the Ministry of Housing, I believe at this point in time, for final approval.

I must say, looking at the Durham region official plan, they have done an excellent job of preserving agricultural land in consultation with our people. This is an ongoing process. They're out to various counties, out to various regions, discussing it with them. I must say we've had excellent co-operation from the municipalities, counties and regions in this province. That is being reflected in their official plans.

There are times when we're going to have to step in, as I've said before. We stepped in in Niagara and in many subdivisions where other problems were brought before us. I certainly feel that we are getting this co-operation at the municipal level and they are including it.

To give you an example, the farm where I'm living is zoned "permanent agricultural" in the Durham region official plan.

What else did you say here? You said farmers live rich and die poor. I think you've got that backwards. I think they live poor and die rich, some of them.

Mr. MacDonald: Did I say that?

Hon. W. Newman: Yes.

Mr. MacDonald: I'm sorry; you're right.

Hon. W. Newman: I'm sure you meant it that way. I just wanted to correct that situation there.

You talked about the future needs for housing. No matter which study you look at—Housing has done studies, everybody has done studies—about projected population growth to the year 2000, and with whatever figures you want to use, anywhere from 375,000 to 600,000 acres of land will be required for the services for up to 12 million people.

That's what will be required, depending on whose report you want to take. Of course,

that's not all going to be on prime agricultural land. Because of our guidelines and because we are applying our guidelines in many places, all the land that will be used by the year 2000, which according to our people probably will be less than 500,000 acres, will not all be in prime agricultural land. I think that's something that should be brought forward.

At the same time, you were talking about the Barrie annexation and what's happening there. I would just like to point out to you that I got a copy of the Ontario Municipal Board report on that. I pulled it out and I just want to read you one short paragraph:

"There is no reason this annexation should seriously affect farming now taking place in this panhandle. Both the town of Burlington and the town of Oakville had large tracts of farm land within their boundaries for years. In his speech of May 7, 1977, to the Organization of Small Urban Municipalities, the provincial Treasurer indicated there was no objection to the inclusion of farm lands in urban municipalities."

To give you another example, in my own area, which you could call an urban municipality, right where I live there is permanent agricultural land zoned there by the municipalities. I point that out to you in passing, as far as the Barrie annexation is concerned. Keep in mind, though, that we don't deal with the specifics of the food land guidelines on annexation until such time as a plan is put on the area. Then it comes forward to our ministry for comments.

As you know, the annexation has, I think, been appealed to the Ontario cabinet at this point in time. It doesn't necessarily mean all that land will be gobbled up by housing. But what it could mean is orderly development of the land so that a farmer will know that for 15 or 25 years he's going to be able to farm. So, orderly planning is very important. My personal comment on the figure of 125,000 which has been projected is, "good luck."

Mr. MacDonald: Excuse me. But that is provincial policy. It's already—

Hon. W. Newman: The Simcoe-Georgian task force suggested that Barrie go to 125,000.

Mr. MacDonald: Okay. And the provincial government adopted it; so that's provincial policy. In effect, what you have just said to us is that you don't agree with the provincial policy.

Hon. W. Newman: I didn't say that—

Mr. MacDonald: You said "good luck" to 125,000 people.

Hon. W. Newman: Yes, to the projected population figure for the year 2000, because I happen to believe, looking at our population trends in the schools—

Mr. MacDonald: They'll never get to 125,000.

Hon. W. Newman: I think they'll have difficulties, sure.

Mr. MacDonald: They'll have to force-feed Barrie in a fashion that no area has ever been force-fed for development to get to that level.

Mr. Riddell: Why should growth even be encouraged in that area?

Mr. MacDonald: Agreed.

Mr. Riddell: My goodness gracious, there are many parts of the province where we should be encouraging growth rather than in that area.

Mr. MacDonald: Mr. Minister, I'm looking for areas of agreement. Let me just make a point that will appear to be a bit out of step with the general stance that the New Democratic Party has taken. I agree you can't argue, as some people have argued, that not another inch of prime agricultural land should go. We're an urbanized community, we're going to need land, and in some instances it can be justified. But you've got to have a procedure for careful examination of it, and that procedure must not be a haphazard one; it's got to be one that has the backing of law. That's what the Ontario Institute of Agrologists are asking for.

For example, I think it is a little bit idle to talk about saving the 8,000 acres in the centre of the doughnut in Mississauga. Let's face it, sooner or later, it's going to go. You're forgetting I got away from the designation of class one, two and three land and suggested that you legislate the methodology of Huron county, which is to go out and to establish agricultural, urban, recreation and forest and mining priority areas.

If you do it in that pattern, as was done in Huron and as I understand is done in Denmark, you can see that there may be some land in the urban pattern that is still going to be agricultural for perhaps 10, 15, 20 or 25 years; the methodology suggested that farmers in the shadow of Goderich would continue to farm but they would be given plenty of time to know when they're likely going to have to get out.

I am not arguing against that. The urban priority will include some areas for future growth. We are not trying to strangle future growth. We recognize that we need houses for four million more people between now

and the year 2000. I wish you wouldn't argue with me, because you tend to dismiss it as me. The stated policy of the Ontario Institute of Agrologists and ROMA, the Rural Ontario Municipal Association, still asks for a designation in law of class one, two and three lands.

Hon. W. Newman: The Minister of Housing and I have met with ROMA. It may have been in the report. I think it was a misunderstanding in the report that they didn't want land frozen by legislation.

Mr. MacDonald: You said that last time. They had another conference afterwards and they repeated it. They reconfirmed their original policy. They must be awfully stupid if they are reconfirming what you think they are mistaken on.

Hon. W. Newman: You are now disagreeing with them yourself.

Mr. MacDonald: No. I am suggesting an alternative that may help you really to protect agricultural land.

Hon. W. Newman: That is what we are saying in the guidelines, and this is what we are using at this point in time. All official plans have to be approved by the government, and certainly we have our input. We have had great co-operation from the municipalities, and I happen to believe in local autonomy. You talked about alternative sites for housing. Yes, we have said this should apply wherever possible, in the guidelines.

If you are talking about this study report which just came in, there are some very good things in the report by these young people. I would summarize it as I haven't read it in detail. It just came in yesterday, and I just thumbed through it. We had some other matters of concern yesterday to deal with.

I would point out that I realize the management problems of farmers in the province, by and large. I don't know how you can differentiate between the part-time farmer who is trying to farm full-time and who is working off the farm, building up his equity so that he can go farming full-time, and the hobby farmer who is probably playing around at it and not doing a very good job at it. As far as management is concerned, we think that's all-important.

Through our extension branch we have extensive management consultation. We are finding more and more farmers taking advantage of that service and having our experts go in and sit down at the kitchen table with them, really right at the grass-roots level, to discuss their whole financial situation in terms of where they could be

owing and what they could be doing. That is what they are there for and I think this whole program is working very well.

There are farmers who will go into business without the necessary management skills. I'll give you an example of one I know who went into the milk business in November 1976. He tore his barn apart, put in a pipeline milking machine, built a milk house—he went to tremendous expense, knowing there was a problem—and then started buying cows. That created a problem.

That is poor management. He happens to be a neighbour of mine, and I have told him so. That's poor management. This is where our people can be a great deal of help. In our research field, production marketing and all the other programs I have talked about, we are working at trying to help the farmers.

I know what it's like. You may call me a Toronto farmer or something like that—

Mr. MacDonald: A Forest Hill village farmer.

Hon. W. Newman: —but I took up farming by choice. I know what it is like to slug it out and I remember when I was making nine cents an hour. I know what it is all about. I would like you to come out and try it some time. I am talking about the early days when I first started to farm.

Mr. MacDonald: I would like to do that too.

Hon. W. Newman: You were talking about giving the smaller farmer extra help. Many of our programs—for instance, the cow-calf program—do help the smaller farmer. You really want to analyse our cow-calf program as against the federal stabilization program. Maybe we will get into that when we get further into the estimates. I have some comparative amounts of payout which show that the federal program is a disaster compared to ours. We will get into that later on down the road.

I think I have touched on most of the points. If I have missed any of your points, please remind me and I will be glad to deal with them. From the notes I took last Monday night, I think I have covered them.

Mr. MacDonald: Before we leave this report, I acknowledge you are doing extension work to help the part-time farmer in farm management. The thing is, you tend to disparage this as the work of a couple of young fellows.

Hon. W. Newman: I haven't had a chance really to study the report.

[11:00]

Mr. MacDonald: All I am saying is that this was put out by the school of agricultural economics and extension education of the Ontario Agricultural College. Apparently, the Agricultural College deemed it to be a worthy study. I think it is grossly inadequate in some of its basic premises and certainly it is inadequate in terms of applying the conclusions they have here to existing policies. If they think there should be greater help for the part-time farmer, they should have examined at least what help you are now giving—and I concede you are giving help—and what more should be done. This is the implication of this study in terms of policy. Since you only got it yesterday, let me give you fair warning: I will come back to it next year, God willing, if the creek's not flooding and we are both here.

Hon. W. Newman: If it is like this fall, with all the rain we have had, I may not be here.

One other thing that I think was tabled in the House was the letter I sent to Mr. McKeough regarding the Barrie annexation and the Simcoe-Georgian area task force. That letter was tabled. I don't know whether you saw a copy of it or not or whether you would like to see it.

Mr. MacDonald: I saw it.

Hon. W. Newman: I think I have covered most of your points. If I have missed anything, let me know.

Mr. Lane: Mr. Chairman, I have just been sitting here listening as I normally do, and I think there have been a few things said that should be cleared up.

Mr. MacDonald referred several times to our small farmers needing assistance from the minister. First, I would like to say I don't think the small farmer is necessarily the only person who needs help or assistance from the ministry. I think the farmer is like any other professional; he starts small and hopes to get big. If he gets big and a calamity befalls him, because of weather or crop conditions, he can lose everything, a great deal more than the small farmer can lose. So I don't think we should be talking about how much assistance the small farmer needs. I think we should be talking about all farmers.

The other situation is that many of these people want to be small farmers. They have other occupations. I know many people in my riding—they are assistant school principals or something—who live on a farm because it's a convenient place to live and raise a family. They get involved in raising some livestock, producing some beef cows and calves and so forth. They get the benefit of

our support programs but, as the minister says, they are not too good as managers. Actually these people are costing us money. Really, that is not what we are trying to do—to help these people who are not properly informed on how to operate a farm.

Believe it or not, I am a farmer. Even at my advanced age, I handled 4,000 or 5,000 bales of hay this year. So I know something about farming.

I think it is rather an insult to our farmers to keep on talking about them being small operators. A farmer today is a businessman. If he is a good farmer he is not going to be small very long, and he could lose a lot more by being big.

I also resent the fact that every year—and it doesn't matter whether it's this ministry or another one—when we are debating the estimates of the Ministry of Agriculture and Food, certain people always seem to use this forum to take personal slaps at the ministry and at the minister as a person. That is not called for.

Mr. MacDonald: When? Where?

Mr. Wildman: You are barking up the wrong tree.

Mr. MacDonald: Cite an example.

Mr. Lane: I don't want to go back over the last two or three hours.

Mr. MacDonald: Cite an example.

Mr. Lane: This minister, as did the former Minister of Agriculture and Food, the Hon. William Stewart, works harder than most any other minister in this government, or in most any other government, for the people that depend on him. I think it is unfair for members of this committee to come here and take personal slaps at the minister or the integrity of the minister.

I am going to be making some constructive criticism later on. I am not altogether happy with things that are happening, but I hope it is constructive and not destructive. I don't think we should use this forum either for political speeches. I expect to hear political speeches when the campaign is on and yet, every time we come to consider the estimates, we have somebody grantstanding and making political speeches. I am getting a little bored with it really.

Mr. MacDonald: You are getting fatuous in your boredom.

Mr. Chairman: Let's have a little order here, please.

Mr. Lane: Just to go a little farther, since the critic of the NDP is taking exception to what I am saying, Hon. William Stewart and I agonized over the cow-calf program.

We knew what we were going to do about it a long time before the critic knew there was a problem. We actually had on the paper what we were going to do before certain demonstrations were incited by certain people to make it embarrassing for me in the hope that I would lose the 1975 election.

Mr. MacDonald: That's a political speech.

Mr. Lane: I am entitled to one and it is a factual speech. You upset certain people in my area who are normally pretty quiet people. They came down here and we had some pretty hot meetings, as some of the people in the ministry will remember. Certain people who normally supported our party, our ministry and myself, decided they would support other people in the 1975 election. That is everybody's privilege. That is the way it should be.

However, in this past election, one of those people, who was very active in demonstrations of various kinds against the minister, myself and the cow-calf program and so forth, came to me and said, "John, I just want you to know I am satisfied we have got the best stabilization and cow-calf programs in Canada; you and I know how we got them. Here is a little cheque to help out with your campaign." That is really factual. I'm sorry, Mr. Chairman; I did not plan to make a political speech.

Mr. MacDonald: Of course not. That's why you have it written down; you did it last night.

Mr. Lane: You want to read it?

Mr. Wildman: No.

Mr. MacDonald: You were reading it. I cannot read your writing.

Mr. Chairman: Mr. Lane has the floor. Go ahead, Mr. Lane.

Mr. Lane: I will be making some comments later on. I just think we should come here concerned about the estimates—the cost of our programs, whether they are adequate, or whether we should be bringing in more programs and, if we should, for what reason and not the other reasons for which we sometimes use this forum.

Mr. MacDonald: That was just you.

Mr. Lane: Another sidewalk farmer. We have sidewalk farmers all the way along that side of the table.

Mr. Chairman: Any further comments, Mr. Lane?

Mr. Lane: No, I will quit.

Mr. MacDonald: You don't have to be a chicken to lay an egg. You just proved it.

Mr. Chairman: We will now have the non-political comments of Mr. Wildman.

Mr. Wildman: Thank you, Mr. Chairman—

Mr. MacDonald: That was a political comment from the Chair.

Mr. Riddell: Mr. Chairman, are we not straying a bit from regular procedure?

Mr. MacDonald: I am willing to rotate.

Mr. Riddell: It seems to me that the critics of the opposition parties usually have a chance to make lead-off statements, which are replied to by the minister. But, my God, you are opening it up to all the members.

Mr. Chairman: Just a minute, Mr. Riddell. What do you mean by this?

Mr. Riddell: Are we going to go through general statements before we ever deal with vote 1801?

Mr. Chairman: We are on vote 1801.

Mr. Riddell: Oh, we are?

Mr. Wildman: Mr. Riddell, I did not have a general statement to make. I was just going to ask questions about vote 1801.

Mr. MacDonald: We are on vote 1801.

Mr. Riddell: When was vote 1801 called for discussion?—This morning? It seemed to me that Mr. MacDonald was carrying on with his opening statement and then Mr. Newman replied, but I have not heard yet we are on vote 1801. All I want to know is are we going to—

Mr. Chairman: We assume it's automatic once the minister has replied to the critics' lead-off remarks.

Mr. MacDonald: The first vote comes up automatically when we finish with opening statements.

Mr. Riddell: All right. Are we going to deal with vote 1801 generally or are we going to deal with it item by item?

Mr. Chairman: Whatever you wish.

Hon. W. Newman: Mr. Chairman, may I just make one comment here? As we go through these various votes, because the Royal Agricultural Winter Fair is on and because a lot of our staff who will be here should be out there, could we get the concurrence of the committee to deal with the votes in order, rather than getting into another vote? In that way we can release some of our people to be out at the Food Festival or other areas.

If that is agreeable to you, Mr. Chairman, and to the committee, we could stay with the votes as they come up and we would only need the people for those particular votes.

Mr. Riddell: I certainly have some com-

ments I want to make. If we are dealing with the vote item by item, I will start off with the main office.

Hon. W. Newman: What I am saying is I am not opposed to that at all. But let's not go to, say, vote 1805, when we should be dealing with vote 1801. That would release a lot of my people to be out at the Royal Agricultural Winter Fair. That is all.

Mr. MacDonald: Let me ask for further guidance on procedure. We are now on vote 1801.

Mr. Chairman: That is correct. Yes.

Mr. MacDonald: Are we going to do it item by item or the whole bag together?

Mr. Chairman: It depends. What is the wish of the committee?

Mr. MacDonald: If we are on vote 1801, item 1, main office, any general comments on agriculture, including such comments as have just been made by the hon. member for Algoma-Manitoulin (Mr. Lane), legitimately come under the main office item. That is traditional procedure.

Mr. Riddell: I would have liked some indication that we were starting on vote 1801, because normally we on this side have something to say and then it goes back to the other side—

Mr. Chairman: That is the automatic procedure.

Mr. MacDonald: That automatically happens when you finish the leadoff and the reply by the minister.

Mr. Riddell: Well, get me on your list then.

Mr. Wildman: I'll yield—

Mr. Riddell: No, go ahead.

Mr. Wildman: I don't have a general statement to make. I have some questions.

Mr. Chairman: On vote 1801?

Mr. Wildman: Yes.

Mr. Chairman: Okay. Go ahead, Mr. Wildman. We will put Mr. Riddell down to speak next.

On vote 1801, ministry administration program:

Mr. Wildman: As the minister knows, I have had correspondence with him and other people in the ministry regarding communications for the farmers in my area with the ministry office in the Sault. I've made it clear, whenever I've written or talked to people in the ministry, that I'm not in any way criticizing the ag rep or his assistants in the Sault, but there is a problem in that they cover a very wide area. Sometimes it's difficult for

farmers, if they have a particular problem or need some advice or information, to get in touch with the office in Sault Ste. Marie.

At one time in our area, there were many farms north and west of the Sault, and there still are some. Some of them have been incorporated or annexed into the city of Sault Ste. Marie, but they're still farming. The centre of agricultural activity has moved east and southeast to the area between Iron Bridge and Echo Bay. Most of the dairying is done in the area of MacDonald, Laird and Tarbutt townships with a little on St. Joseph Island. Most of the cow-calf operations are also in that area and further east, down towards Thessalon and Iron Bridge.

Certainly the ag rep and his assistants travel around through the farm community. However, I think there is a problem with communications. I know the minister or people in the ministry don't agree with me but I would like to point out, without attempting to get political at all, that my Conservative opponent in the last election suggested there should be a Zenith number for the ag rep's office. He said that subsequent to my suggestion that something should be done about the communications.

I don't want to get political. I just was wondering why we can't look at that proposition. If we can't move the office, as I have suggested on a number of occasions, to one of the smaller communities east of the Sault—Echo Bay, Bruce Mines, Thessalon or Desbarats and Bruce Mines probably would be more central to the farming area than any other—why couldn't we set up a Zenith number for the Desbarats, Bruce Mines, Ophir and Thessalon telephone exchanges? How much expense would that entail?

Farmers living in that area could phone the Sault without long-distance telephone costs. At least there could be something like an answering service where they could phone and leave their number. It wouldn't cost very much in terms of long-distance telephone charges. Somebody in the ag rep's office could then call them back so that the expense for the long-distance call would be charged to the government rather than to the individual farmer.

You wrote to me in July about the suggestion of a Zenith number, saying that if you did it in Algoma you'd have to provide toll-free numbers in all of your offices and the present funding just wouldn't accommodate that decision. I'm just wondering if really other offices have the same very large areas to cover, whether you really would need to have Zenith numbers everywhere or

whether they could be provided in areas where you have a very large territory being covered by one office. I'm just wondering what your feelings are on that.

Hon. W. Newman: I happened to be in the Sault the other night at a Rotary dinner; it was urban-rural night.

Mr. Wildman: Yes, I know.

Hon. W. Newman: I was somewhat misquoted in the paper. Perhaps I should have corrected that, but that's another matter.

Mr. Wildman: I heard some of your quotes after.

Mr. Samis: Non-political?

Mr. Wildman: No, they weren't political.

Hon. W. Newman: Strictly non-political.

Mr. Wildman: John Rhodes made a few political remarks.
[11:15]

Hon. W. Newman: Most of the farmers who were there and most of the young people in the 4-H group—and I was really proud to see so many young people; there were 500 people at the dinner and there were a lot of young people there. Most of them were from Mr. Wildman's riding, by the way.

As a matter of fact, keeping in mind what you had said in your letter to me, I talked to many of the farmers there from your area, and I asked about the Agriculture office that's in the Sault. I asked if they were happy with it there or whether they thought it should be moved. They were quite happy, they told me. Ernie Inch and several other farmers said that the office location there was fine because a lot of people came to town for parts and things; it was handy for them. I think that Grant Mitchell, the ag rep, has done an excellent job there. He gets around with the farmers and he is well liked by them.

Mr. Wildman: He and I were recently at the annual meeting of the Central Algoma Exhibition at Bruce Station. Again, though, I would point out that a large number of the meetings take place at Bruce Station and in Bruce Mines. But if your feeling is that the farmers don't want it—

Hon. W. Newman: That is the indication I got at the meeting. As far as communications are concerned, just within the last six to eight months, we have been trying to set up a TWX or teletype system in the ministry to communicate with our regional directors. We are just getting the system started now; we have about 12 machines in now. The whole idea is that if a problem arises anywhere in the province, we can have a

report on our desk within hours. Before, it meant one person had to sit down and start calling the ag reps all over the province. I must say that the new system we are working on is going to be much more effective in serving the farmers across this province.

We can't do all the things we would like to do; we just don't have the funds available. But certainly we have started that system, which we think will be a good one. I also get a report from every ag rep in the province every two weeks about what's going on in each area. But the TWX or teletype system that is going in now will keep us in closer contact with the farmers and the problems they face in their areas.

As far as the Zenith line is concerned, it is simply a matter of dollars and cents; we just don't have them at this point in time. We think the communications systems are getting better, however, and certainly we would like to improve them as funds become available.

Mr. Wildman: I have a couple of other questions. I would like to know whether the minister has seen the article in the October 25 issue of Farm and Country, in which there is an article by Michael Sage, analysing a study by Richard Wietfeldt, for the Ontario Federation of Agriculture, of the minister's statement about the numbers of acres of farm land that are in reserve and could be brought into production.

I should point out that the number of acres being brought into agricultural production in Algoma has increased slightly in the last little while, largely because of hobby farmers; so it's true that some of the land that wasn't in use is being used.

I would just like the minister's comments on one of the statements in the article, namely that "the conclusions drawn by Mr. Newman are ridiculous," which refers to the minister's statement about the total number of acres in reserve. He went on to say:

"While the ministry review shows 16.8 million acres of land in farm use, of this, 75 per cent is in the southwest, central and eastern regions; two million more acres are available for production in those areas. The remaining 25 per cent of farm land in use is in the northern and shield areas; the reserve is 17 million acres."

I notice in your release that you list the various counties and districts, the numbers of acres in use and the numbers of acres in reserve. For instance, you say Algoma has 115,500 acres in farm use and a little over 1.5 million acres in reserve; the reserve land,

as a percentage of acres in farm use, is 1,447.7 per cent.

If you look at some of the other northern districts, you find the same is true or that there is even greater disparity. Cochrane, for instance, has 134,000 acres in production and, you say, almost 2.5 million acres in reserve.

I was rather interested in comments made in this article, because an awful lot of that land in reserve in the north is overgrown with poplar and scrub bush and hasn't been farmed for a long time, if it was farmed at any time. A large percentage of it was never farmed. Probably it has good soil but it has never been brought into production; it would certainly entail a great deal of effort and expense to bring it into production.

Then there is the difficulty of the climate, which means only certain types of crop and livestock production would be viable. Livestock probably would be the most viable in many cases.

The same kinds of percentage are true of Thunder Bay district, Nipissing and Timiskaming. Thunder Bay and Nipissing are not quite as bad as Timiskaming because, of course, there are more farm acres in production there in proportion to the total number.

I am just wondering what your feelings are about this study by the federation, and the comments made in the farming country. They state that when you add your acres in production and in reserve, the total should be about 36.1 million acres for potential food production. They point out, however, that Doug Hoffman of Guelph determined there was only 16.3 million acres of class one, two and three farm land in Ontario. The other 20 million acres includes "not only good land in good climatic zones but also land that is class four, and so marginal for field crops; land that is class five to seven, unsuitable for field crops; land that is in climatically unfavourable regions; and land that is simply too expensive to be farmed."

What is your feeling about the statement that the conclusions of your and your ministry officials are ridiculous?

Hon. W. Newman: I have talked to the president of the Federation of Agriculture as a result of that article. I have forgotten the exact wording of the article, and I don't have it here with me.

I think what they were pointing out in the article was that as far as they were concerned we have only 16.5 million acres of really prime agricultural land and therefore, the other figures of 17 million or 15 million acres are not as good agricultural

land. This is not so, as far as I am concerned.

Two or three things should be kept in mind. One is that in northern Ontario you don't have any class one land, because you don't have the heat units.

Mr. Wildman: That's right.

Hon. W. Newman: You have the quality of soil but you don't have the heat units; thus, under the classification system, it can't be categorized as class one land. But, as I said before—we discussed this in the House the other day—the potential is there in the north for forage crops, for vegetable crops and for other crops. For example, 10 years ago hardly any crop was grown in eastern Ontario, but, with the drainage, new technology, new varieties and research, we have a tremendous amount of corn being grown there now.

I am not saying we are going to be able to grow corn in northern Ontario, but as research—

Mr. Wildman: You can grow corn on St. Joseph Island.

Hon. W. Newman: I realize there is some grown up there, but it's primarily for forage; there is a problem with the short season. With technology, research, drainage and other things that can happen, I believe the potential in the north is great.

As I said the other day, if I were 15 years younger and going back to farming, I would look at the north because of the potential of forage crops.

The Ontario Soil and Crop Improvement Association is looking at developing new varieties of forage crops—better and hardier varieties—to get away from some of the problems with which we are faced. This augurs well for the ridings in the north. On several occasions I have been in your riding and in other ridings up in that area, and I've seen forage crops. While you don't get three cuts of hay as we might down here—

Mr. Wildman: We're lucky if we get two.

Hon. W. Newman: That's right, but I have seen excellent crops of hay up there that would yield as well as any crop in southern Ontario. I've also seen stands of alfalfa and brome-grass and some timothy mixed. I have seen stands up there that are fantastic.

To comment on that article, yes, we do have the high productive capacity here in southern Ontario, but we have a great potential in the north for forage crops. There are a lot of beef and dairy people up there. The potential is there, and I have been developing this potential as research has developed.

Mr. Sage's article implied that I was misleading, if that is the word he used—

Mr. Wildman: He didn't use that word but he certainly gave that impression.

Hon. W. Newman: He might have left that impression, but I am saying we must be careful with our agriculture land in southern Ontario but that the potential for the north is fantastic. I believe it. Look at the balers used up there to put up those 800- to 1,200-pound bales of hay. You can store them outside and run your cattle outside almost all winter; all you need is a shed. With the new ideas and the technology, their production costs can be lowered and there would be great potential. I know you look at south-western Ontario as the breadbasket of Ontario, and I have to agree to some extent, but there are other areas in the province that have great capacity.

Mr. Riddell: You were somewhat misleading in your comments on the food terminal bill. I was the one who mentioned that you have to take heat units into consideration as well as the soil. You got up and talked about all the potential in the north and the justification for a food terminal, but I'm going to tell you, there is no way you are going to put a food terminal up north to market hay.

Hon. W. Newman: Mr. Chairman, if that is a supplementary question, I'd like to point out I listed the various crops that can be grown up there. All kinds of vegetables can be grown in that country. They have a short season but they have long days. They have a great potential for a lot of vegetable crops in the north—they are growing them now. You have a longer growing season down here, but we are not going to get into that.

I said the food terminal would have to be self-sustaining and I said it would take a great deal of study to get all the facts and figures on it. First, you have to involve the people who would be using that terminal as far as financing is concerned and in terms of how they are going to use it.

Mr. Wildman: You're going to have to look at the location, too, I think. I won't go into a long discussion on this because I don't want to take up the other members' time. But it should be remembered, as the federation pointed out, that when you are looking at the figures you gave out, you're talking about potential.

There certainly is potential for farming in the north, but the potential is going to take some time to develop as well as a great deal of effort and expense. It is not going to be a case where you can say that when we lose

a lot of acreage in the south, we're going to be able to switch automatically to the north. It just won't happen like that.

If we can't protect farm land throughout the province, we are going to run into difficulties if we are hoping we will be able to bring the land up there into production very quickly. It is going to take a long time and a lot of effort. I have a couple of other questions under this vote.

Hon. W. Newman: Could I just comment on that? I can remember—I won't speak about anyone else here, because maybe I am older than all of you—when we used to grow corn in just two or three counties. This year, there is an estimated crop of 140 million bushels. Who would have thought that possible 15 years ago? The land to the north of us is needed and will be developed and farmed.

[11:30]

Mr. Wildman: I hope so. The potential is there but there are many difficulties in farming in the north that perhaps we don't have in southern Ontario.

Recently, on another matter, we had a meeting on the day or the day after the election was called. Again, I'm not going to get political here—

Hon. W. Newman: If it was the day after, it couldn't be political.

Mr. Wildman: —but we had a meeting in Bruce Mines—another meeting in Bruce Mines, I might point out—with the leaders of the various farm organizations in Algoma.

Just as a side thing, the president and the manager of the Algoma Co-op Creamery came in and explained their problems with Consumer and Commercial Relations to you. I had been involved in trying to resolve those problems over some time previous to that; and they themselves had been trying with their solicitors to resolve them too. They explained the problems to you—your executive assistant was there too—and you suggested that you would get the details from them and try to do something about it.

I understand you had a meeting down here late in June but it really wasn't too fruitful in solving their problems. Could you give me some indication of what's happening with that? Have you got anywhere with Consumer and Commercial Relations to try to resolve this problem? It's a very small creamery but it's doing a very good job in serving the area and has been there for an awfully long time.

Hon. W. Newman: I'm just trying to refresh my memory on that. It was the same

day we talked about the Algoma Co-op, was it not?

Mr. Wildman: That's right.

Hon. W. Newman: That's when we sorted out the Algoma Co-op problem.

Mr. Wildman: That's right.

Hon. W. Newman: I just wanted to let you know we solve some of the problems.

Mr. Wildman: That's right. You did a good job with the Algoma Co-op.

Hon. W. Newman: The Bruce Mines creamery, if I remember correctly, is a co-op; and there are no records of who was a member of the co-op away back when.

Mr. Wildman: There was a fire in the early 1950s and all the records were burned.

Hon. W. Newman: That's right. As a result of that meeting, when I came back, I asked our people to meet with Consumer and Commercial Relations to see if anything could be done. I'm not sure whether I wrote you a final letter on that or not. Did I?

Mr. Wildman: No. I got notification that the meeting had been held and that they hoped something was going to be done.

Hon. W. Newman: At this point in time, I can't give you an affirmative answer that anything specific has been done. We're still working with them and I'll follow up on that.

Mr. Wildman: Fine. Thank you. Just one other matter: I recently wrote to you as a consequence of a letter and a number of other complaints I had received from White River regarding the very high food costs in White River compared with those in Sault Ste. Marie and Thunder Bay. White River is about halfway between the two centres; obviously there's no farming up there—

Hon. W. Newman: It's the coldest place in Ontario.

Mr. Wildman: That's right. Actually, there were some farms there at one time but they're no longer in production. Most of the land has reverted to the Crown.

You wrote back to me on October 4, with a copy of the Minister of Consumer and Commercial Relations, saying: "As you are no doubt aware, most of the food is produced in southern Ontario or outside of Canada. Consequently, the cost of moving foods to the stores in northern Ontario is greater than to the southern portion of the province." I can't disagree with that. Transportation costs certainly are a factor.

I want to just point out one thing: Even when transportation costs are taken into account, the difference in costs between Sault Ste. Marie and White River is very high—far

higher than the transportation costs would justify.

You also pointed out in your letter that when you have a high volume of sales in a large centre—where a chain store, for instance, is purchasing a large volume—that will cut the cost. I agree with that. That's probably the problem in White River, which is a small community; it doesn't have very many stores and there's only one grocery store. If that's the basic problem, I recall the comments of my colleague about the Ontario food basket, and I wonder if you are taking into account the possibility of looking at costs and determining what are justifiable costs and what are not?

Perhaps it might help consumers in that area—and the farmers in the sense that the consumer would not react as adversely to the cost of food—if they knew that whatever they were paying was justified in terms of a decent return to the farmer, the processor, the wholesaler and retailer.

Perhaps somebody in research in the main office, the people who are in charge of looking at the ministry operations, would consider the possibility—perhaps in co-operation with the Ministry of Consumer and Commercial Relations—of analysing the food prices and determining whether or not people in small communities in northern Ontario are being ripped off and, if they are, by whom. If you consider the cost of eggs and some other things, like tomatoes and so on, in the north—

Hon. W. Newman: What is the cost of a dozen eggs in White River? I don't know.

Mr. Wildman: It was \$1.15 a dozen when she wrote to me, and 70 cents for three tomatoes.

Hon. W. Newman: Those are imported tomatoes, are they?

Mr. Wildman: She doesn't know, of course. She's comparing them with the Sault prices, which are much lower for both of those items.

Hon. W. Newman: The only comment I would make is that in many of our—by the way, are there not two stores there? I've been in White River many times; is there not more than one store there?

Mr. Wildman: There's only one large grocery store. The Hudson's Bay store also has a grocery outlet as well. So there are two.

Hon. W. Newman: So there is some competition there.

Transportation costs are a factor as well as volume of sales. It's the same in the little store I deal with, right around the corner from me. The prices are higher there because

they don't have the volume of sales that others have. Of course, I believe in supporting our local stores. I don't know how many people from White River may go to the Sault to shop. I couldn't tell you that either.

Mr. Wildman: They go once in a while. They go maybe once a month or so. It's 200 miles.

Hon. W. Newman: The only thing I can suggest is that while we're not going to go up and monitor it, our Food Council could look at the situation and see if there's something drastically wrong.

We know we live in a society where competition usually takes care of some of these situations. You have two stores there, and I know you have a lot of restaurants there because I've utilized them many times. Certainly, though, I'll have the Food Council take a look at it and get back to you.

Mr. Wildman: I'd appreciate that. I have only one other question, Mr. Minister. I've been going through your annual report and I'm just wondering why the format for the annual report is not set up so that it coincides with the format for the estimates.

For instance, you run into some difficulty in trying to determine how to relate the programs under production and rural development; for instance, the number of programs listed under the food land development branch. There is some difficulty in finding where those particular programs might fit into the estimates book. At least, I have some difficulty.

Hon. W. Newman: If you tell us which ones you're asking about we'll tell you where they fit in.

Mr. Wildman: Right. I appreciate that, and I will probably do that later on during the estimates. But I'm just wondering why you couldn't correlate them more easily so we wouldn't be in that kind of a problem.

Hon. W. Newman: Management Board likes to put our estimates together one way and we like to deal with the annual report on the basis of the programs, as we see it. But if you have any specific program in mind, we'll tell you what vote it comes under; there's no problem there.

Mr. Wildman: I want to bring up one thing under tile drainage, for instance. What would that come under?

Mr. R. G. Bennett: Food land development.

Mr. Wildman: Okay, I'll leave it until then.

Mr. Riddell: Mr. Chairman, the main

office item obviously lends itself to a discussion of matters that are not directly related to the expenditures of the main office. I trust you will forgive me if I stray a wee bit, although what I have to say is related to this particular item.

Mr. Chairman: Very well. Confine your comments to vote 1801, though.

Mr. MacDonald: Mr. Chairman, I think the answer is that if something is raised that fits more logically in a subsequent vote, you say so and we'll bring it up at the appropriate point.

Mr. Riddell: Before getting into a point that has been annoying me somewhat, I would like to say that I am always interested in the comments of the NDP critic. He leaves much food for thought for the minister, even though he is out to lunch, philosophically, on a good many matters.

I found it somewhat ironic that he spent so much time talking about the dairy industry and the problem that seems to exist in the dairy industry, when dairy farming is one segment of our farming industry that is probably making a dollar, even though it might be marginal.

There was never one word from him on the beef industry, which has lost more than \$300 million in the last three years. No mention was made of the corn producers, who are not even meeting their cost of production at the present time. And no mention was made of the white bean industry, which is in serious trouble at the present time. So, as much as I enjoy listening to him—

Mr. MacDonald: You missed my point. I will clear it up for you later.

Mr. Riddell: Mr. Minister, I don't know whether you are not satisfied with your speech writer—

Hon. W. Newman: By the way, I feel sorry for my speech writers tonight. I usually don't use their speeches. I apologize to them.

Mr. Riddell: I apologize to the member for Algoma-Manitoulin (Mr. Lane), who slipped into committee long enough to make a political speech and then left, but I will make a personal reference.

Mr. Chairman: He's one of our better attenders, I will have you know.

Mr. Riddell: I don't know whether it is because you are what I consider to be a partisan minister, but I don't recall receiving very many, if any, of the speeches you make around the province. I will tell you, however, that I receive a copy of every speech of the federal Minister of Agriculture, regardless of

whether he makes it in Alberta or in Newfoundland.

Hon. W. Newman: I can understand that.

Mr. Riddell: As critics, I think we should be extended that courtesy. I was contacted yesterday by a reporter representing a certain television station to comment on the speech you made at the official opening of the Ontario Food Festival. He was somewhat surprised that I hadn't received a copy of your remarks or that I hadn't heard your speech.

I really think you could send copies of your speeches over to both Mr. MacDonald, if he wants one, and to myself, so that we can be in a position to comment on what you are saying about the agricultural industry across the province.

That reporter had to bring that speech down to me prior to question period yesterday. I got together with Bob McKessock, my colleague here who shares the agricultural portfolio, and with certain other agricultural members, to get their opinions on what you had to say. We came to the conclusion that you were to be complimented for your endeavours in trying to promote Ontario-grown foods.

Hon. W. Newman: That isn't what you said on television last night.

Mr. Riddell: I did. I started out by complimenting you on this first endeavour.

Mr. MacDonald: Too late. It's been reported already.

Mr. Riddell: You had been working on a promotional campaign since it was announced in the Legislature last March, but there had been no visual evidence of any promotional program until these articles appeared in the *Toronto Star* and the *Globe and Mail*. Maybe you hadn't intended to start the program until November, but in your speech you indicated farmers in the province have been accepting lower profits and less government aid than farmers in any other industrialized nation in the world and that's why our food dollars buy more today than they ever have.

[11:45]

That's quite an admission if what you are saying is that we have been operating on a cheap food policy for a number of years. When you consider that one and a half per cent of the total provincial budget is spent on agriculture, it indicates to me that very little emphasis has been placed on the agricultural industry in this province compared to other industries or to other ministries of this government.

You also dealt with importation of products

into this country. You talked about the Niagara peaches. You indicated that 10 years ago 70 per cent of all the canned peaches consumed in this province came from Niagara, while today 80 per cent of them come from outside Canada. Once again, I have to ask what you people have done to try to keep the peach industry alive in this country. We have seen our processors go down the drain and there has really been nothing to bail them out.

You made reference to the sugar beet industry and the fact that we are no longer in a competitive position because we no longer have a sugar beet industry in Ontario. I must remind you that that industry was allowed to die under the Tory regime in Ontario.

Hon. W. Newman: Oh, no.

Mr. Riddell: Oh, yes. Listen, the former Minister of Agriculture and Food did very little to try to bail out the sugar beet industry. All he had to do, if anything, was to take over the operation of the sugar beet plant in Chatham—

Mr. MacDonald: Do you mean nationalize it?

Mr. Riddell: —and subsidize the sugar beet producers, if indeed that was necessary. But he didn't do anything to keep the sugar beet industry alive in Ontario. We have seen the processing of fruits and vegetables dwindle to practically nothing today here in Ontario. Unless you are prepared to do something to save the white bean industry, that is going to be another industry that goes by the wayside.

I think you had better be looking seriously at making up any difference between what the dealers have sold to foreign countries and what they are actually going to be able to send over there. As I indicated in my opening statement, if some of these dealers go bankrupt because of what's happened this year, it tarnishes the whole bean industry. We will lose our reputation and I think it will go the same way as the sugar beet industry.

You talked about a buy-Ontario program or a buy-Canadian program. We in the opposition parties have been advocating this for some time and, because of minority government, I think we are making strides to change the attitude of this government and your ministry. As a matter of fact, it was my colleague, Ross Hall from Lincoln, who finally got Ontario wines stocked and sold in the dining room in the Legislative building. My gosh, he had to fight like a tiger in order to get it.

Frank Drea, the new Minister of Correctional Services, is going to make sure that apple juice is served in the correctional institutions. Boy, if Frank continues the way he has been going, I'd say he would make a heck of a good minister of Agriculture and Food. I think he would make a second Eugene Whelan.

Mr. McKessock: They'd better bring a few more down off the back benches.

Mr. Samis: How many farms are there in Scarborough Centre?

Hon. W. Newman: I can assure you I consult with him on a regular basis.

Mr. Riddell: Mr. Minister, do you realize that if you fly Air Canada, you can't get Ontario wine?

Hon. W. Newman: Do you not know what we have tried to do about that?

Mr. Riddell: Why aren't we making some headway?

Hon. W. Newman: Maybe you should talk to some of your federal counterparts who are so bull-headed they won't even listen to us.

Mr. Riddell: I'll do what I can, but you ought to consider that if you fly Air France, they actually give you a bottle of wine. They don't sell it; they give you a bottle of good French wine as a kind of promotional effort for their wine makers.

You talked about the Ontario consumer paying the same price for beef as he did three years ago—maybe even a little less. You mentioned that in the talk you gave at the official opening of the Food Festival. I've already pointed out that the beef man has lost \$300 million since 1974, which again is an indication of our cheap food policy at the expense of the producer. You admitted the beef producers are going broke and, in effect, have been subsidizing consumers. That came right through in your speech. But you are quite willing to put all the blame on the federal government.

I simply ask you, what has this government done to draw to the attention of the consumers that our beef industry is in serious trouble? Certainly your exhibit at the Food Festival didn't indicate our beef industry is losing money and has been so doing over the past three years. Unless the consumers become more aware of the situation and start to buy, not only Ontario beef but other produce that's in trouble in this country, I think our agricultural industry will be in really serious trouble.

I checked into this particular matter and I don't ever recall a select committee being

set up by this government to look into the agricultural industry in Ontario. We hear about the unemployment problems at Inco and we immediately set up a select committee to look into it. It's not only the nickel industry that's in trouble; the agricultural industry is in trouble too.

Have you ever given any consideration to setting up a select committee so we can take a look at the agricultural industry in Ontario? With members of all the parties working together, maybe we would be able to come up with some solutions. It's obvious that you and your staff are not coming up with the solutions we need.

You're probably talking to as many farmers as I am. You're probably also talking to merchants right now who say their business is probably cut in half because the farmer is not making money, he's not buying machinery, he's not renovating that room in the house that he intended to do. The poor farming industry today is having a serious effect on many other industries and businessmen.

We simply can't let the farmers suffer the way they have been suffering over the last two or three years.

Mr. McKessock has just asked me if I want to get a reply from you before we go. We're going to have to leave to attend a meeting of a task force set up by our leader to look at the industry and tourism business. Look at what's happened to the tourism business in this country; unless we can get the tourist back again, we'll have lost a fairly important industry.

These are some of the matters I wanted to bring to your attention, although I will have some more questions directly related to the main office. Maybe you could respond to some of these things and then I guess we'll simply leave the show to Mr. MacDonald, because I don't see any of our other colleagues coming in.

Hon. W. Newman: You mentioned the beef industry and, since you came back to it later, I will come back to it. You mentioned beef, corn and white beans. As you know, I have had meetings about white beans. In your opening comments you suggested a special task force to look into it. We're working very urgently on that problem. What I would appreciate is knowing how you think the problem can be solved. I am being quite serious. We're looking at it, and I would welcome comments from anybody else. How do you think it can be solved?

Mr. Riddell: One of the things this government is probably going to have to do is pay the difference between what the dealers

sold the beans for, in relation to the quantity, and what they are actually able to supply. Eventually they could recover this from the bean board over the next period of years. I think the farmers would go along with that.

If we allow some of these dealers to go bankrupt, however, and if we cannot provide the class of beans that Britain ordered, then our reputation as bean producers has been destroyed. There is just no possible way we can allow that to happen.

Hon. W. Newman: I am fully aware of that. We went into that in some detail the other day. I know you have to go, but I want to cover the other points you raised. I would appreciate knowing what you suggest could be done so that the dealers do not go bankrupt. What should the government do as far as their involvement is concerned? I would appreciate your comment on it at some time down the road—maybe not today, but certainly very soon.

Mr. Riddell: I think your dealers' associations have indicated—

Hon. W. Newman: I have met with them all. I know their plight; I know their problem. I know the quality of beans and I know the number of beans. We have talked about all that. But if you have some suggestions, I would welcome them. I know you grow white beans and I would appreciate your comments.

You mentioned not getting copies of my speeches. I am told that, by and large, copies of my speeches are circulated to the MPPs. Mr. Beeney is the director of the information branch. We will see that you get copies of them because there are at least three a week, as a rule. If you like them, you can have them because it's obvious from some of your comments today that you haven't been getting them. Or if you have, you haven't had an opportunity to read them.

Mr. Riddell: I would like to have a copy of every speech you make.

Hon. W. Newman: I'll be quite honest; they're not always on food promotion. That was my basic speech. I probably paraphrased that speech when I gave it, but I'll see that you get a copy. I am told, however, that they are circulated to the MPPs.

Mr. McKessock: How soon do they go out?

Mr. Beeney: Same day.

Hon. W. Newman: We'll check into that, as far as the speeches are concerned.

You talked about one and a half per cent of the budget being spent on agriculture. I don't know what the actual percentage is,

but you'll notice that in this year's budget the Ministry of Agriculture and Food got the second largest percentage increase of any ministry in our government.

Mr. Riddell: And rightly so.

Hon. W. Newman: I'm not saying that. I'm just saying to keep hammering away at me. I like it.

Mr. Riddell: You certainly are not going to get any criticism from me about the expenditures of this ministry because if there is anything we've got to do, and you as Minister of Agriculture and Food, it is to increase the ministry's budget.

Hon. W. Newman: Don't keep preaching restraint in the House and then say to me to increase my budget at the same time. You can't have it both ways. That's the way it is. Where are you going to tell us to cut back? Do you want us to close hospitals?

Mr. Riddell: No, you'd better believe I don't.

Hon. W. Newman: This is the sort of thing we've got to face.

Mr. McKessock: You'd better get a bit of Wintario money for the farmers.

Hon. W. Newman: I'd be quite happy to get it.

Mr. Riddell, you also talked about the peach industry and asked what we are doing about the peach processing industry. We're as concerned as you are about what's happening down the road. We'll send you some back copies of my speeches where I've talked about GATT and the representations I made to Ottawa. We've really pushed with it. I've had other ministers go with me. I've even had the provincial Treasurer pushing for agriculture on the whole tariff structure.

There is no point in kidding ourselves. While the peaches are coming in here at practically zilch as far as the tariffs are concerned, there is a big tariff on ours going out. That's not equity or reciprocity. When the fresh peach market is out we should have fresh seasonal tariffs. Tariff Board reference 152 takes this into consideration, and we are asking the federal government to implement what its own Tariff Board has said should be done. We've asked them to implement it. It's not perfect but it goes a long way in solving a lot of our problems.

Let's talk about this year's peach crop. There was an anticipated large surplus of peaches this year. I personally went down to the Niagara Peninsula and got myself in trouble with one or two of the processors over this. But, as a result of our meetings, one of the processors started processing about

a week earlier and was handling 100 tons a day. He was very reluctant because the plant only has a certain capacity, but he co-operated openly. The other canning company put on a second shift with federal government assistance. We worked with Ottawa on that to put on a second shift.

We paid the transportation costs to move peaches—I don't know how many tons it was—down to the H. J. Heinz Company in the Chatham-Leamington area. We paid the transportation costs to transport those peaches down there. As a result of our efforts this year, there were no surplus peaches left on the trees. We were able to use those surplus peaches. We were fortunate during the harvest season. We got men out every wet day, otherwise about 150 tons would not have been harvested. As I say, I personally went down and got involved with the processors there; I think they were annoyed with me, because they weren't geared for it, but they did co-operate. That's what we did this year on the peaches alone. That doesn't mean we won't be doing further things down the road, but we did get involved in that this year

[12:00]

You talked about the sugar beet industry and how it is the fault of the province of Ontario that the sugar beet industry disappeared. You know what I know. If you are going to have any sort of a protective situation to try to save the sugar beet industry, it's got to be done Canada-wide. You might save it in Ontario but that doesn't mean it can't go into Manitoba or Quebec or even come back into Ontario. You've got to have some sort of national co-operation if you are going to save the sugar beet industry.

In defence of my former colleague in the House, I really have to say that if the federal government had developed a national policy regarding the sugar beet industry, we might still have a sugar beet industry today.

Mr. Riddell: They still have one in Alberta.

Hon. W. Newman: Yes, there are some here and there.

You mentioned Air Canada, and I'm quite sincere when I say that I have written to Air Canada. I also talked to the Ontario Wine Council not too long ago about the fact that we would like to get on to Air Canada. We don't run Air Canada; it's not run by us. We would like to get Ontario wines on Air Canada.

We'd also like to get Ontario wines in a lot more of our restaurants. We are writing the restaurants, trying to get them to accept more Ontario wines. We have some very good wines. If you go out to the Food Festi-

val, you'll see that there is a wine-tasting area operated by the Grape Growers Action Committee, a group of women who are doing a great job there.

In the ad we ran last week—I'm surprised we haven't been asked about it—there is the offer of a free trip to Mexico. At this point I'd like to give credit where credit is due. We approached Air Canada to see if they would donate a free trip somewhere in Canada and we were given a flat no. We went to CP Air, and, after a lot of persuasion, they said they would donate a free trip to Mexico. That trip is being donated by CP. That's what I call a good corporate citizen.

Mr. Riddell: How many of our government institutions handle nothing but Ontario-grown foods?

Hon. W. Newman: For instance, in this building we are trying to promote Ontario products as much as we can. Letters over my name have gone out to all our institutions suggesting that they try, wherever possible, to buy Ontario produce—I think the letter said "Canadian produce," because some are borderline. It went over my name to all ministers in the government about six or eight months ago.

Mr. Riddell: I swear that some of the beef served down in our dining room must be that grass-fed Australian beef you were referring to. Have you looked into that at all?

Hon. W. Newman: I'll be glad to. I'll ask someone to take a note of that and we will look into it. You know, of course, that grass-fed or grain-fed beef can be tough, depending on how it is handled. I'm not commenting on how it is handled downstairs, because I had some last night.

You talked about beef in terms of my speech about consumers and so on. I have been telling consumers that the beef farmers are losing their shirts. I have been hammering away at this point. It's all very well for the consumers to have cheap beef, but they are going to suffer down the road if our beef producers can't stay in business. I've hammered away at this point to consumer every time I've been given a chance. I've done this several times, and I'll ask Mr. Beeney to send you copies of those speeches.

What am I doing about it? I'll tell you what I've done about it. We brought in the cow-calf program, which you know is a good program. There's a federal stabilization program, which I don't think is effective enough. I'm being critical, because it's not dealing effectively with the situation. We can grow the best beef in the world here but our producers will suffer unless we have

some sort of a beef import law to stop indiscriminate dumping. Canada is the dumping ground of the world for many agricultural products; we don't have any ad valorem, so they dump the products in here.

It was only as a result of a great deal of pressure by the beef producers, the Canadian Cattlemen's Association, the Ontario Cattlemen's Association and my personal involvement, that a voluntary quota was put on Australian beef this year. The voluntary quota is not good enough because, as I said to you the other day, the pressures are building and we need a strong beef import law. Mr. Whelan said that he will bring this forward very soon, and I am pleased to hear that.

There is no point in our kidding ourselves; we can't compete with cattle that can run around on grass on a 12-month basis, needing no barns, no buildings and no feeding equipment. We just can't compete with that in dollar terms.

We have to make up our minds—and I think it has to be done on a national level—as to whether we want a beef industry in Canada. If we do, then we must have some sort of protection, and the consumer must be made aware of the fact that the farmers have to make a living as well as supplying cheap beef. And beef has been extraordinarily cheap. One of the main reasons why it is so cheap right now is the devalued Canadian dollar.

Mr. Riddell: If you can't talk turkey with Whelan, I'd be glad to accompany you on the trip. I think I can.

Hon. W. Newman: I might say this about Mr. Whelan: I get along with him very well; I have a great deal of respect for the man. I think he has a lot of good ideas. There are a few policy things we disagree on, but he has done a lot and he is truly interested in the farmer. I would hate for him to leave.

Mr. MacDonald: You are both lonely souls in your cabinets. No wonder you get along together.

Hon. W. Newman: You sound like a broken record; I've heard it so many times; you keep saying that. I can assure you that I have the confidence and I do get the co-operation of my cabinet colleagues. They are a group of people—and the caucus members too.

Mr. MacDonald: Fine fellows!

Hon. W. Newman: We are united; we are not split, like your party gets quite often.

Mr. Chairman: I thought we were going to be unpolitical.

Hon. W. Newman: I'm sorry, but he made it political.

Mr. Riddell: But cabinet decisions are overruled by one man, the great white father, Darcy McKeough.

Mr. Lane: Come on, Jack.

Hon. W. Newman: As you said—and I agree—as goes agriculture, so goes the country. Agriculture is responsible for about 20 per cent of the total jobs in this country, include those in production, processing, wholesaling, retailing and machinery manufacturing; and when you really boil it all down, if the farmers are doing well they are buying machinery, cars and other equipment. The spinoff effect of selling agricultural products is very important, and it is one of the major reasons for this major food promotion that we are getting into.

You ask the reason for the delay after it was announced. There were several reasons. One, we had to put staff together. It is an extension of the Ontario Food Council, but I didn't want to build another segment within the ministry. As far as the promotional program is concerned, all the pieces have been fitting together through Doug Williams; we also have an outside person helping to pull it all together.

We had to get the commitment of funds. Where do we get the money for this? In my estimates—I should not tell you this, because you'll bring it up—we had to do a lot of scrimping and saving to get the money for this promotional program. But we finally got it. It took time to get it and the staff working together.

There was no point in promoting it or pushing it until we had, for instance, the symbol and "Good things grow in Ontario" as our slogan; all that was put together before we launched it. There were meetings between myself, the Premier, the chain-store people, the wholesalers, and others. All these things had to be done in preparation for the program.

You don't just say you are going to have a program and then take off with it. You have to get everything pulled together so that you can go forward. We have the impetus now and we have had a lot of coverage in the last few days. We are getting stores using the symbol in their ads, and now we are going to keep the pressure on and keep moving on this program. But a lot of work had to be done to pull it together before we started moving on it. In between times, of course, there was a small thing called an election which might have held us up for a few weeks.

Mr. Wildman: That didn't achieve much, did it?

Hon. W. Newman: I don't know; you lost one of your classmates up there.

Anyway, the spinoff effect from agriculture to other industries is fantastic.

I think I have covered your points, haven't I?

Mr. Riddell: Thank you.

Mr. MacDonald: I have a few political cheap shots to make, Mr. Chairman, and I want to make them before Jack Riddell leaves.

He started out by spending the first five minutes saying there weren't very many NDP members here, and then spent the next five minutes trying to diminish my credibility because I don't happen to be a farmer.

Mr. Wildman: There aren't many Liberals here.

Mr. MacDonald: Then, a few moments ago, he said maybe he was going to have to leave it to me and he was going to cop out.

Mr. Riddell: I never indicated anything about your farming ability.

Mr. MacDonald: If the vacuum in Liberal policy is such that his criticism of the ministry has to be devoted primarily to discussing me and to discussing the absence of my colleagues here, then it is a vacuum. So be it; live with it. But it is a cheap shot, and I trust that from now on he can discuss some of the issues.

He said that I didn't happen to mention beef or soya beans. That was another cheap shot. He even missed the point I was raising. When I was talking about milk, I was not referring to milk from the producer; I said the producer was getting a fair shake because he has formula pricing. What I was talking about was what this minister could and should be doing to protect the consumer to maintain the sale of milk. The Milk Commission has said that the prices were unrealistically high. And what is he going to do about it? Nothing. That is what I was talking about, and the member missed that point. That is part of your problem.

Hon. W. Newman: Do you need a referee?

Mr. MacDonald: I'm going to get back to you in a moment. Just take time out.

When we got to the sugar beet industry, Mr. Chairman, we had the incredible proposition of Mr. Riddell suggesting that the answer was to nationalize it. The Liberal Party, like the Tories, spends 95 per cent of its time going around railing against nationalization and then advancing it as the solution to a problem.

Hon. W. Newman: We never said nationalization.

Mr. MacDonald: He did. You do it generally. That is part of your rhetoric; that is your philosophic stance.

Mr. Riddell: I suggested that we sink some money into that plant to keep it operating.

Mr. MacDonald: That's right—nationalize it. In true Liberal fashion, it is not necessarily nationalization but nationalization when necessary. That is Liberal policy. It is double-talk.

Let me come to the minister's speech. Mr. Minister, I too would like to have copies of your speeches. But I noted—and I don't say this critically—that you yourself conceded that you have some great sympathy for your speech writers because you usually don't follow them. That creates problems for the press, if I may say so.

Hon. W. Newman: No. Any speech of mine is released to the press.

Mr. MacDonald: I know. What I would like to have, if I could get it, is not only the prepared speech that was written by your speech writer, and unvetted by you and so, presumably, a statement of policy—

Hon. W. Newman: Oh, no. It is vetted.

Mr. MacDonald: —but also a copy of the transcript of the speech you really gave, because that is often even more interesting.

Hon. W. Newman: Come to some of the small halls that I go to and bring recording equipment—at the Simcoe Federation of Agriculture meeting, for example. I am speaking to one other federation of agriculture this Friday night. I am quite sure there won't be proper recording equipment there.

Mr. MacDonald: Just to complete my cheap shots, I hope the whole committee will notice there isn't a single Liberal here. Oh, I'm sorry; he just arrived.

Mr. Riddell: You've got Ronnie McNeil sitting there.

Mr. MacDonald: He is an ex-Liberal; he has joined the Tories.

Mr. McNeil: I saw the light.

Mr. Chairman: I think we have had enough cheap shots. Let's go ahead with the vote.

Mr. MacDonald: I promise you that if I don't have to reciprocate, I won't indulge in them again.

Let me come to a couple of matters which I hope come under this vote. I'm sorry Jack Riddell has gone now, because he raised the whole question of a so-called atomic or nuclear tomato. We have a real problem

here. I hope research—because we have an analysis, research and planning item in this vote, that is really what I am speaking to—can come up with an answer. The problem is graphically illustrated by one sentence of the story in *Farm and Country*: "Ontario Hydro has been pitching the equivalent of three million barrels of oil a year into Lake Huron."

We hear of all the waste, and now we learn Ontario Hydro has been pitching the equivalent of three million barrels of oil a year into Lake Huron. That is our problem. Ontario Hydro has not integrated the use of waste heat; so it builds a nuclear plant in Pickering, where the equivalent of millions of barrels of heat is wasted.

Ontario Hydro should have planned, in conjunction with the Ministry of Housing and other branches of the ministry, that waste heat could be used for central heating, as has been planned and done in many older European countries, particularly in Sweden. I applaud the proposition that you are taking a look at how you are going to save that equivalent of three million barrels of oil being thrown into Lake Huron every year in heat that has been used and then dumped back into the lake.

[12:15]

Obviously, some of the points that the Liberal critic raised are valid. If you are going to build an equivalent greenhouse operation up there, what is going to happen to Leamington? And, therefore, you have obviously got to do some pretty careful research. The minister said the answer—again this is highly commendable; it is almost like motherhood—was to grow products here that we are now importing. I will be interested in hearing from this ministry, if it is doing some research, as to what conclusions have been readied in terms of which of the products that we are now importing can be grown here. We could use the heat equivalent of the three million barrels of oil that is wasted by being dumped into Lake Huron every year for the development of an even greater greenhouse industry to replace what we are importing, thus helping our balance of trade and so many other things.

Item 6 is for analysis, research and planning; that's precisely what we are after. But, Mr. Minister, some time soon, if you are going to make political speeches about the value, innovativeness, foresight and everything else involved in this whole venture, let us have the benefit of some of that research so that we will know two things: (a) that it is not going to pull the rug out from under

the existing greenhouse industry in Leamington and (b) in specifics, which products are now imported and which we could grow here to use all this waste. That, I think would be a sensible, planned approach. I hope you will respond to it at some point.

Hon. W. Newman: As you know—I don't know when we made the announcement—there was a joint announcement by myself—

Mr. MacDonald: Just before the election.

Hon. W. Newman: Was it?

Mr. MacDonald: During the election.

Hon. W. Newman: Was it during the election? Then let me tell you something to show you just how non-political I really am.

Mr. MacDonald: You have forgotten when the election was.

Hon. W. Newman: I had been down to Minneapolis, Minnesota, long before the election campaign to look at their program and had studied it very carefully before we made the announcement.

I had hoped to make the announcement long before we did, but we were defeated in the House and forced to call an election. Even though the campaign was on, we moved forward with that program, and research is being done. Conestoga Rovers were commissioned to do research on it by our ministry. We are working very carefully with it.

Mr. MacDonald: Conestoga Rovers? Where do they come from?

Hon. W. Newman: They are a consulting firm. There were several consulting firms brought in. I think they are from Waterloo.

Mr. MacDonald: I thought they were the Boy Scouts from Huron county.

Hon. W. Newman: I might also mention that the Ministry of Natural Resources is also involved. That ministry is very interested in fish breeding in terms of import replacements; we import an awful lot of fish from Japan, Denmark and some other countries.

We are also looking for import replacements. We could talk about things like lettuce—I could list them all—that could be grown in those greenhouses but which would not hurt the Leamington area. Keep in mind that we are also doing research on conserving heat in the greenhouse industry itself. I think a fair statement would be that when the research being done now is put into effect, the actual heat loss in greenhouses probably can be cut by as much as 50 per cent.

Mr. MacDonald: Just to show you I am on your side, Mr. Minister, I think I shall be on this new Hydro select committee; I was wondering the other day, if Hydro is going

to be building plants, whether it would be possible to site one of the new plants down in the Essex area. It's close to the lakes, which is always a great requirement. They could build the plant so that the waste heat could be pumped into the greenhouses.

Hon. W. Newman: There are other factors involved in building a nuclear plant, like hydro lines and other things, that can create some problems.

Mr. MacDonald: I know that. I am painfully aware of it. I got a crash immersion course on it as last year's chairman of the select committee on Hydro. All I am saying is that if the other things permit, we should be planning to use that waste heat instead of dumping the equivalent of three million barrels of oil a year back into the lake.

Hon. W. Newman: Certainly. Anyway, we are doing the research and the report is going forward. We are working with the Ministry of Energy on it.

Regarding the three million barrels of oil a year, I don't know the exact figures; you would because you were chairman of the committee that brought in some recommendations last year and you are probably more familiar with Hydro's operation than I am. We are waiting for figures from Hydro on the costs of tapping that hot water—the cost of bringing it out, the cost per mile of moving it, and all the other things involved in it. As we move down the road, research will be done.

I don't know if there is any specific research being done on the Pickering plant in terms of using that waste hot water for other purposes. Are we doing any particular research?

Mr. MacDonald: There have been some studies done for the whole new city development around Pickering that we were talking about—you know, that city was going to have 250,000 people, then 200,000 and then 150,000.

Hon. W. Newman: Oh, the North Pickering development. That's part of my riding.

Mr. MacDonald: I thought you should be familiar with it.

Hon. W. Newman: I should point out that we are doing research and work on it at this point of time, and that the present study for Kincardine should give us the technology we need for other plants in the province.

As an aside—and I am being a bit facetious—it makes the fishing in Lake Ontario a lot better around that plant.

Mr. Gaunt: Oh, we grow 'em big up there.

Hon. W. Newman: There's great fishing

around that plant. You see more boats now than you ever saw before.

Mr. Gaunt: More fish too.

Mr. MacDonald: I would like to have some evidence of the studies you have done.

Hon. W. Newman: When the report's done and we have had a chance to look at it, I will let you read it. I see no reason why this report could not be released.

Mr. MacDonald: That's called freedom of information. That's another point I am rather interested in.

Hon. W. Newman: There is no point in withholding a report because, when they are circulated among the various ministries, they always get back to you anyway. We don't believe in keeping them; we might as well give them to you.

Mr. MacDonald: That's known as the brown paper envelope syndrome. Let's have some information on it instead of all of the great objectives and rhetoric.

Hon. W. Newman: We have done something positive about it.

Mr. MacDonald: I started out by commending you for it. You don't even know who your friends are!

Let me just raise one question. Since I don't think there is an estimate later, is this the appropriate ministry in which to raise the question of farm taxes?

Hon. W. Newman: Farm taxes really would come under Revenue, I guess. The farm tax reduction program is in my budget under vote 1802, item 5.

Mr. MacDonald: I'll bring it up then. That's the appropriate place.

Mr. Gaunt: I came in late on Mr. MacDonald's discussion, and I am wondering how the matter of the Kincardine project sits at the moment. The consultant's report is late in terms of the initial objective. They issued an interim report, and I am wondering when the final report is expected.

Hon. W. Newman: The interim report, which was a rough draft report, went to some of my staff; they have looked at it and sent it back. We expect the final report by the end of November.

Mr. Gaunt: As I understand it, that report will not deal with the location of the proposed greenhouse project as such; that judgement call will be up to the government, based on the information that's contained in the report. Is that accurate?

Hon. W. Newman: That's a fair statement. I'm not sure of the details, but the report

probably will say—and I'm just speculating—whether it's feasible within a certain area of the plant. It depends on the Atomic Energy Control Board how close it can or cannot be to the plant. Many things are being looked at, including the cost of running the lines, amortized over a period of time, and the total cost per acre of glass to build and operate the greenhouse.

Certainly no specific location has been pinpointed; they will probably identify a broad area in which it could be located. I believe I know what you are getting at, but I don't think they are going to recommend any specific site at this time.

Mr. Gaunt: One thing that has always puzzled me about this project is that in its genesis the idea was to locate the project about five miles from the source of the heat. I could never understand this, particularly in view of the fact that we are talking about a cost of \$1 million a mile for that pipe.

Is there any particular rationale for this, other than the rationale which the minister and I have already discussed?

Hon. W. Newman: I'm not the Minister of Energy, but isn't there a heavy water plant there? There is some problem because of the distance you have to maintain from that plant. It is the heavy water plant, rather than the power plant itself that is the problem. You know the history of the park and all the things that happened there that have some bearing on it.

I can only speculate. The Atomic Energy Control Board is being contacted in connection with the study and that board will have a lot to say about how close any operation should be, from a safety point of view.

Mr. Gaunt: I know the minister is talking about the five-mile buffer zone. However, that zone is violated every day of the week in terms of residential development.

The kind of development which we are discussing is certainly not that kind of concentrated development involving people, children and so on in the event of a spill or a leak. That is undoubtedly a factor, but I don't think it is an insurmountable factor. I don't really think the Atomic Energy Control Board of Canada is going to come in with a heavy hand and say, "No, you can't build greenhouses within the five-mile limit."

Hon. W. Newman: I am only speculating; I don't know what they are finally going to say. However, I am sure that the Atomic

Energy Control Board will make the final decision on the safe limitation, whether it be one mile, two miles or five miles.

I appreciate your question "Why can't it be closer?" When the report comes out, and the Atomic Energy Control Board says it must be so far away, we might want to go back to the board for further discussions at that point. But I can't answer that question until the report comes in.

Mr. Gaunt: I am glad to hear it is not a shut case with respect to the distance.

Hon. W. Newman: I have read some of the papers in your area and I am fully aware of what you are getting at. As far as I am concerned, it is a wide open situation.

Mr. Gaunt: I'm glad to hear that. I'll pass. Vote 1801 agreed to.

Hon. W. Newman: Mr. Chairman, may I ask your indulgence? I have to speak tomorrow to the National Milk Supply Management Committee. All the provinces across Canada are meeting in Ontario this year. Would it be possible for me to leave here at 12:15 p.m., even though I would still be a little late for the lunch, which starts at 12:15 p.m.?

Mr. MacDonald: I move that your parliamentary assistant take over for the last 15 minutes.

Hon. W. Newman: I think the parliamentary assistant is very capable and has done a great job.

Mr. MacDonald: I know. I want to give him an opportunity to continue doing a great job.

Hon. W. Newman: I know what you want to do. I am fully aware of that.

Mr. MacDonald: Are you so fearful of his limited capacity?

Hon. W. Newman: I am not fearful of his limitations at all.

Mr. MacDonald: Put him in the position.

Hon. W. Newman: I am sure he can handle himself extremely well.

Mr. Chairman: Perhaps we could start 15 minutes earlier and let the minister go 15 minutes earlier.

Mr. MacDonald: That's okay with me.

Mr. Chairman: We will adjourn until tomorrow at 9:45 a.m.

The committee adjourned at 12:32 p.m.

CONTENTS

Wednesday, November 16, 1977

Opening statements, continued: Mr. MacDonald	R-783
Ministry Administration Program	R-795
Adjournment	R-809

SPEAKERS IN THIS ISSUE

Gaunt, M. (Huron-Bruce L)
 Havrot, E.; Chairman (Timiskaming PC)
 Hennessy, M. (Fort William PC)
 Lane, J. (Algoma-Manitoulin PC)
 MacDonald, D. C. (York South NDP)
 McKessock, R. (Grey L)
 McNeil, R. K. (Elgin PC)
 Newman, Hon. W.; Minister of Agriculture and Food (Durham-York PC)
 Riddell, J. (Huron-Middlesex L)
 Samis, G. (Cornwall NDP)
 Wildman, B. (Algoma NDP)

Ministry of Agriculture and Food officials taking part

R. G. Bennett, Deputy Minister
 D. Beeney, Director, Information Branch



No. R-31

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Resources Development Committee

Estimates, Ministry of Agriculture and Food



First Session, 31st Parliament

Thursday, November 17, 1977

Speaker: Honourable John E. Stokes

Clerk: Roderick Lewis, Q.C.

CONTENTS

A list of the speakers taking part in the debates in this issue of Hansard appears, in alphabetical order, at the back of this issue.

Daily contents of proceedings also appears at the back of this issue. Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff. Phone 965-2159.

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LEGISLATURE OF ONTARIO

THURSDAY, NOVEMBER 17, 1977

The committee met at 9:58 a.m.

ESTIMATES, MINISTRY OF AGRICULTURE AND FOOD

(continued)

On vote 1802, agricultural production program:

Mr. McKessock: I want to say a bit about disappearing farm land. I know farmers have mixed feelings on whether farm land should be saved or not. As a farmer myself, I think maybe we should not worry about it. Probably the Ministry of Consumer and Commercial Relations should be worrying about it more so than Agriculture and Food because it is the consumers in the long run who are going to pay when farm land disappears.

I think the farmers who feel it should not be saved or don't worry about it feel that somewhere down the road, if we get rid of enough farm land, they will get a more decent price for their products. I think eventually that will happen, but it could be 50 or 100 years from now. So I don't think that is really a legitimate concern.

Then, on the other hand, you cannot blame farmers who live close to towns, where their land is valuable for development, for wanting to sell it for \$100,000 or \$500,000 or \$1 million, far more than they can make out of producing food. When we talk about depleting our natural resources, there is no bigger issue than this one right here, the disappearing farm land.

A generation or two down the road, they will look back and say, "Why did we let this happen?" or "Why did we deplete this natural resource?" I think myself that we should be saving it and I think that most people do, although I know there are farmers on both sides of the story. It is up to the government to do this. We only have five per cent good agricultural land, the other 95 per cent is poor land, so it seems like common sense that we should be saving the good agricultural land, at least class one and two land, so that we can always be in the position to feed ourselves.

It is very easy to see it disappearing, being covered up every day with cement, houses, and industry. Meanwhile our population is increasing constantly, so it is only a matter

of time before we run out of enough food to feed ourselves. At the present time, I think we have a land use policy that is of little value. The food land guidelines are just that, guidelines without teeth to preserve land. They may set boundaries today, but tomorrow we set new boundaries after we use up the land through allowing industry or towns to expand. We have a boundary today but tomorrow we set that boundary a little farther back into the fields.

The way it is right now, or the way it has been suggested, leaving it up to the individual municipalities to decide how the 95 per cent of our rough land should be used is fine. But the use of the five per cent farm land has to be decided by the government, township by township. Otherwise some municipalities are going to save it and others are not.

It doesn't make sense to me, coming from Grey county, which a government study says is the second largest owner of farm land in the province—and we have some good farm land but a lot of poorer farm land—that we should be saving our land while down where the land is level and free of stones and the heat units are better, in the southern part of Ontario, it is disappearing. So if you leave it up to the local people in some places they will save it and in other places they won't.

Until something is done, lawyers will have a heyday because we will be continually having hearings on whether to let this land go for landfill sites or whether to allow annexation. In Barrie or in the Niagara region they'll allow thousands of acres of good farm land to go for annexation then they'll come into our area where the Niagara Escarpment is and they'll try to save 10 acres that is good farm land when all surrounding it is poor land. It doesn't make sense.

If you want to save a 10-acre parcel surrounded by swamp because it's good farm land then we should be saving first of all the thousands of acres that are in the southern part of the province. This is why it seems to me that unless the government does it, it will never be saved. And that is only five per cent of our land, which is a small percentage.

Hon. W. Newman: Would you like me to comment on your remarks, or are you not finished?

Mr. McKessock: Yes. I would like you to comment on that.

Hon. W. Newman: I'd just like to make a few comments. We did go over some of this yesterday on the food land guidelines which are out.

We think they are being used very effectively. I'll give you an example. We can talk about our renewable resources, which I want to preserve. I want to make it very clear that in our guidelines we're trying to preserve, wherever humanly possible, the better agricultural land.

A case in question: I don't even know whether it's been made public yet or not, but there's a case down in the member for Wentworth's (Mr. Deans) riding. When I was Minister of the Environment we were talking about putting services down into Stoney Creek, I believe it was. A certain size of sewer line was to go in there and a decision was made recently that they would not be allowed to have that size of service in that area and they would have to preserve a pocket of tender fruit land in there. They would only be able to go so far and the rest of the land would have to be preserved for tender fruit land. There's a case in question where the Minister of Housing (Mr. Rhodes) and myself, and of course the Minister of the Environment (Mr. Kerr), got together and agricultural land went out in that particular case. Grimsby is it?

Mr. R. G. Bennett: No, Grimsby is another case.

Hon. W. Newman: Grimsby is another case where we're having to redefine the size of the water and sewage systems so that they'll only take in a certain population. They are all a very integral part of the whole situation. That is one case in question where we've made a ruling, where the government has overruled or will be overruling a municipal regional plan.

There are cases, and I can use examples in my own area, Durham region, where I know we have turned back plan after plan—that whole Mississauga situation which is now being discussed at the Mississauga level and will be coming forward for comments by the government, when we will be making our comments on the development—keeping in mind we can't stop all development; keeping in mind, as I said yesterday, that for our future needs in the province of Ontario we're talking about a maximum of half a million acres of land to put four million people on, and I don't think we're going to hit that four million people by the year 2000; keeping in mind wherever possible, trying to redirect that, there are areas, for instance, in Mississauga,

out in the greater metropolitan areas that are surrounded now by housing.

There might be 75 or 100 acres in a pocket there. It only makes sense that that must be infill. Some of that is good agricultural land. I'm not denying that.

There are other cases where they've really meant business. There are some municipalities, and counties, where they have not really taken it seriously at this point in time.

I thought you brought up a good point this morning yourself about preserving land in Grey county. There's a great deal of land there and the attitude may be, I'm not saying it is, but it may be that if agricultural land becomes fewer and fewer acres farmers will get more money for their produce. I only point out to you in passing that we had some US FDA people we were talking to, who said the US has 300 million acres of land lying idle, prime agricultural land that's not even being used. That gives you some idea of the type of thing that we're talking about. It does not matter how much land we use up here it's still not necessarily going to mean good prices for our farmers up here. We get into the whole GATT structure at that point in time.

Mr. McKessock: But it is closing in on us somewhere down the road. As the population increases and the land decreases, it certainly will mean improved prices; it could be 50 or 100 years. All I'm saying is I would hate the next generation or two down the road to look back and ask why did we deplete this obvious natural resource when we had an alternative.

Hon. W. Newman: I don't think we are. What we're really trying to do is to preserve the land as much as possible. If you want to go all the way back to 1943, and hindsight is a great thing—

Mr. McKessock: I'm looking ahead to the next 50 or 100 years.

Hon. W. Newman: —the Queen Elizabeth Way should never have been built in former Premier Mitch Hepburn's time. It went right through our tender fruit land. We weren't thinking about that in those days. Today we are. We are planning ahead. We're not planning ahead 25 years. We're talking about 50 years at least.

Mr. McKessock: Then don't you think we should be setting aside that farm land?

Hon. W. Newman: Wherever possible we are.

Mr. McKessock: That makes it so unfair. In one part of the province you will and in the other parts you won't.

Hon. W. Newman: This is pretty well

universal throughout the province. There will be tremendous pressures in the areas around Toronto to develop that farm land down the road.

Mr. McKessock: Why should we worry about those pressures if it is good farm land? Whether the farm's worth a million dollars in the southern part or whether it's worth \$50,000 in my area, that \$50,000 is just as valuable to the farmer there as it is down here where it's worth a million. If you're going to set aside farm land, it shouldn't matter whether a developer owns it or who owns it. If it's good farm land and you want to preserve it, then you should preserve it.

If you're going to say this has to be preserved here because it's bought up for development and we can take that land up there because it's cheaper land and it's only worth \$50,000 or \$75,000, what I'm saying is that \$50,000 or \$75,000 is just as valuable to a smaller guy as it is to a big developer, and there shouldn't be any differential there. It's farm land we're talking about.

Hon. W. Newman: Let me point out that we have to use some common sense in this whole thing. Let's talk about values of land if you think it has a bearing on it. I'm not so sure today that it does have such a bearing on it. I'll give you a case in question. Down around Kent county, in that area land is going for around \$2,800 or \$3,000 an acre, or somewhere in that neighbourhood. That's straight farm land and that's good farm land. It may be too high, but that's what it's selling for.

I can take you out to some good agricultural land around Metropolitan Toronto which, when the great speculative boom was on, was selling for \$5,000 an acre. That same land is selling for \$1,500 an acre today and is good agricultural land. I don't know if you can buy a farm in Grey county for \$50,000. If you can, I'd sure like to know about it. I don't think you can.

What you're trying to say is that price gets so irresistible that the farmer is tempted to take it. Yet I have a case in my office right now—and I'm not going to mention any names because there's an appeal on before cabinet at this point in time—where somebody wants to farm within a municipality. They want to keep that farm in farming.

Mr. McKessock: Sure. I think the true farmer does want to keep the farm in agriculture. There are some farmers, no matter what you give them for the land, who don't want it annexed, and justifiably so. Some of them are second-, third- and fourth-generation farms. They've put a lot of time

and money, sentiment and everything else in that farm. They feel they have a legitimate reason for holding that land, especially when you feel we should be saving farm land.

There's a federal study that was done recently here in which it says: "Bloated Canadian cities are destroying the base on which they were built." It goes on a little further to say: "Farm land values may become so high that it is actually costing the farmer to keep his land in production. In some cases, the cost of taxes on land valued for its urban potential may be in excess of the returns to be made for the farming unit. If the problem is not acute, it is serious and getting worse each year. Much of the farm land being converted is not required to satisfy Canada's immediate food needs, either for domestic use or for export.

"Projections indicate, however, that within 50 years much of Canada's farm land will be required simply to serve for domestic needs. Loss of first-class agricultural land will eventually mean its replacement by poorer land or a growing dependence on imports, when we can get them."

This is the thing that may happen when we start depending on imports for our food. We've been used to sitting down at the first table. We may have to sit down at the second table a few years down the road, because if we can't supply our own needs and we depend on imports, the producers are going to feed themselves first. Of course, when we can get the imports, that in turn will affect the balance of payments.

[10:15]

Hon. W. Newman: I have a couple of comments. We are trying to preserve agricultural land. You know as well as I do that in the province of Ontario at the present time when land is being assessed, as long as it's being farmed, it's assessed at the agricultural rates. There is the farm tax reduction program, so as long as you're farming the farm in the urban fringe, you are assessed at a rate per acre which varies from area to area, anywhere from \$100 an acre up to \$300 an acre, although the land is actually worth a lot more than that.

Then there is the Blair commission, which has made recommendations at this point in time, although they will not be implemented this year. As I said here the other day and as I've said before, regardless of what is in the Blair commission report—and we have done considerable analysis of what he said in his report—as far as I'm concerned, and I think I can safely say that the government feels the same way, there is no way we want to hurt

the farmers through the taxation structure.

In some cases, the 90-10 ratio that Blair recommended could have some very serious, adverse effects on farming in the urban fringe. That's one of the things we're looking at very carefully. We have made recommendations to the Treasurer as to what we think should happen but, unfortunately, I'm not allowed to say what they are. I'm not worried that farm taxes down the road will be at the point where farmers will not be able to farm. I think the reverse may very well be true. I think that's very important.

You said we shouldn't depend on imports. I agree, but we also should be looking into reciprocity right now, which we are doing, and putting a position paper forward. As a matter of fact, there will be some official positions taken by the province before very long. Although we have taken official positions in the agricultural sector, other sectors of the province will be involved in the very near future. Certainly I don't want to depend on imports either.

Last night I was at a dinner of the Royal Agricultural Society of the Commonwealth, and I talked to people from other countries. There were 23 countries represented there, and I spoke to a lot of the people there. It's amazing what we should be looking at insofar as those people are concerned. They've got the land, the quality of land and the heat units; they've got everything they need.

Mr. McKessock: Where is that?

Hon. W. Newman: The Commonwealth countries, Central Africa—well, all over the world. They've got the potential there, but what they need is the technology.

I'm only pointing out to you that imports are always going to be a problem to us until we get the tariff situation under control—and that should be done immediately.

Mr. McKessock: That brings up another point.

Mr. W. Newman: Do you want me to finish?

Mr. McKessock: Yes, go ahead.

Hon. W. Newman: Let's look at beef, peaches and all the other horticultural commodities. We could be growing 10,000 more acres of tomatoes right now. We could have a proper tariff on tomato paste. We could actually be growing 10,000 more acres of tomatoes than we grow at present.

Keeping all of this in mind, it all has to fit together as a package. Preserving our land is of primary importance to us, but we've got to have a total package to look at. The farmers in the Niagara Peninsula are saying, "Look, you've locked land into farming for years and

years and years; what are you going to do about it when we're swamped with imports?" This is the sort of situation we run into.

Mr. McKessock: I noticed that the Minister of Natural Resources (Mr. F. S. Miller) mentioned that we'd be feeding poplar trees to our cattle in a few years. He said this was a government agricultural scheme.

Hon. W. Newman: Right. Why don't you ask the chairman? He knows as much about it as I do.

Mr. McKessock: Do you mean we're covering up good agricultural land and we're going to try to grow poplar trees on poor land so we can feed our cattle?

Hon. W. Newman: No, no. We're looking at the best use of that scrub poplar which can be shredded or dried for food value. We have done a lot of experimental work at New Liskeard, I believe, and we're doing something at Kemptville this year in terms of the feeding of poplar pulp, as they call it.

Mr. MacDonald: Make methanol to run their tractors.

Hon. W. Newman: We could come back to that in a minute, too.

What I'm pointing out is that we are doing experimental work with other feed. For instance, in northern Ontario last year, when the drought was on and they couldn't get hay we had a hay assistance program to bring hay in from Manitoba. It might have been possible to use poplar trees as feed, as research will prove eventually. Poplar trees aren't really affected by the weather; they are able to be shredded into a fluffy sort of material which makes feed for cattle. I believe there's such a plant up in the chairman's area somewhere.

Mr. Chairman: That's right. It's a steam process. They cook the poplar wood and it comes out almost like straw. I might add that one experiment conducted at the New Liskeard agricultural college indicated a dramatic increase in the weight through the feeding compared to haylage. With haylage I think, the cattle's weight gain was around 26 pounds over a 70-day period, while it was 90 pounds when they were fed the poplar. So it's quite an interesting experiment.

Mr. McKessock: Mr. Chairman, I think it's been said here that we want to preserve agricultural land—

Hon. W. Newman: Can I just come back to the other thing you were saying about the poplar? Actually, it looks as if 55 per cent of the ration could be made up of this poplar pulp, and apparently the cost of pro-

lucing this material is approximately \$14 a ton compared with \$20 a ton for hay. Is that correct?

Mr. McKessock: It doesn't sound correct to me.

Hon. W. Newman: It may not be, but I have to go by what I'm told by our executive director, who is looking after all the research programs. They've done this experimental work. If it can be produced more cheaply and will give the necessary gains to the cattle by being made up into a good part of the diet, as a farmer myself, I wouldn't mind looking at the poplar feed.

Mr. McKessock: But should we exchange good farm land for this poor land?

Hon. W. Newman: I'm not saying that. I'm saying it's a source of feed. It's just like corn.

Mr. McKessock: You've already said we have all kinds of feed right now.

Hon. W. Newman: And you want to know why we're using poplar. I'm pointing out that on a research basis it may be cheaper and more dependable than hay in some areas, and it might be a good backup feed in bad wet years or dry years.

Mr. McKessock: In other words, it shows the importance of land to the farmer and to our future food.

On the disappearance of good farm land, I want to cite a couple of cases. In the Barrie case, they spent thousands and thousands of dollars in fighting to try to stop that annexation. Finally it went through. There's a case in my riding where Hanover is trying to annex two or three farms and the OMB has ruled against it. They have saved that agricultural land there, but there's an appeal in.

Hon. W. Newman: That's the one I was referring to and didn't want to mention.

Mr. McKessock: There were quite a few thousands of dollars spent there. In Sydenham township, also in my riding, they have spent approximately \$50,000 on environmental hearings to determine whether a landfill site can be put there.

I'm trying to find out if the government has any notion of going over all the land in Ontario, township by township, and putting up boundaries and saying "Okay, Hanover can go to here, Barrie can go to here; but when that's done you have to take in these other areas." Until that's done, we're going to pay lawyers continually, day after day, to fight and decide whether this land can go to agriculture or whether it can go to the city. There are also going to be dis-

crepancies all over Ontario. One town is going to get land; one farmer is going to save his land, while another farmer is going to be able to sell his. There is not going to be any continuity in what's going to be done. Have you any thought of doing that across the province?

Hon. W. Newman: I think in some small way we're doing that now. We do comment on every official plan that comes in for approval by the province.

Mr. McKessock: It still doesn't stop these hearings.

Hon. W. Newman: Niagara is one example. Stoney Creek is another example. I still think the municipalities are co-operating very well as far as official plans are concerned. They're going to have to justify taking that line. In this case, the OMB decided that the town was not justified in taking the total land it wanted. There's an appeal by the town to the cabinet on that.

Mr. McKessock: The fact is that hearings are held day after day on the same topic. What I was trying to figure out was, is there some way we can do away with these hearings so that people know exactly what can be used for agriculture and what can't? If we want to save as much of that five per cent of food-producing land as we can, pretty soon we've got to decide how much we are going to save. Maybe it's going to end up at four per cent or whatever. Eventually we are going to have to use those poplar trees.

Hon. W. Newman: When you say five per cent, that's five per cent of the total area of Ontario. We've got a lot of land in northern Ontario that's under discussion right now. I'm not sure whether we own it or not, after the declaration up there, as far as pulp and paper is concerned.

Mr. MacDonald: The disciplined Tories are doing that.

Hon. W. Newman: Anyway, I'm concerned about the land. I just don't think we, as a government, can say arbitrarily to municipalities A, B and C, "We're going to take all your rights and powers away, and this is all you can do. That's it. Sorry, you're finished."

I just don't feel that I would want to be in a position to say to the town of Hanover, or to any other town, village or country in this province, "I'm sorry, that's all you can do." There will be times, and there have been times, when the government has overruled the municipality, county or region when we think it's in the best interest of saving agricultural land. I gave you some examples this morning.

However, I don't want to tell you that I'm

going to tell any town in this province, "I'm sorry, that's all you can do." It was pointed out by somebody the other day that we want to use some common sense. We want flexibility in the situation. If town A wants to annex 100 acres because it has a new little industry that's going to supply jobs for people in that town and it needs it for housing, rather than those people commuting to Toronto, London, Windsor or somewhere else, maybe it is good sense to take 100 acres out of production and build houses there. You might save an awful lot of energy down the road if the industry is there, and going to the resource that's in that municipality.

Mr. McKessock: I take it then that there's going to be no change. We're going to have to keep fighting for whatever we want, whether it's farm land or annexation.

In our area we will certainly not fight to keep farm land if it's going to be covered up down in the south. Even though I think it should be preserved, unless it's going to be the same all across the province, there's no way we're going to fight.

Hon. W. Newman: The guidelines apply to the whole province.

Mr. McKessock: I'm saying the guidelines aren't working.

Hon. W. Newman: The guidelines are working, and I've given you a dozen examples this morning. I can give you 50 more examples where we've actually used the guidelines today. Don't say they're not working; they are working. If you want examples I'll be glad to take you up to our food land development branch and show you.

Mr. McKessock: I hear the examples. I understand what you're saying. I'm just saying it's different each time we have a hearing; so we're still going to have to keep fighting for whatever we want.

Hon. W. Newman: Are you suggesting we don't have hearings?

Mr. McKessock: I'm suggesting that if this four or five per cent of land were set aside, we wouldn't have nearly as many hearings.

Hon. W. Newman: Many municipalities and counties now use the guidelines when they're drafting their official plans and zoning bylaws. You're telling me, if I'm reading you correctly, that it doesn't matter what you do municipally; we're going to tell you what you have to do. In the democratic society that we live in today, I'm not prepared to do that.

Mr. MacDonald: Tra-la, tra-la. That was a great speech.

Mr. McKessock: Then we'll drop the farm land because, as usual, I think we're just

going to have to decide what we're going to do with it.

The imports you mentioned are the problem. Can we not have these imports come through the marketing boards so they have control over them?

Hon. W. Newman: We have no control over the imports into Canada of any commodity except through the government of Canada.

Mr. McKessock: Is there not two ways of skinning the cat? Can the marketing boards not have agency powers so that everything sold in Ontario has to go through the marketing boards?

Hon. W. Newman: Some marketing boards do have agencies; let's take that as an example. If you had agency powers, say for fresh peaches, and you set a price of \$5 a basket, it's no help to the consumer if there's no equivalent protection on the border and the fresh peaches pour in from the southern US or wherever at \$3 a basket. I'm looking for consumer loyalty; that's what this food land promotion is all about. If you set the price at \$5 a basket for Ontario peaches and you can bring them in at \$3 a basket without any protection, which we do need, what's the consumer going to do?

Mr. McKessock: Can you bring those peaches in at \$3 but put them through the marketing board so the board puts the price up to \$5?

Hon. W. Newman: We have no control over imports into Canada; it's the government of Canada's responsibility. Multilateral negotiations going on in Geneva now are dealing with it, and there are some bilateral arrangements with the US at this point in time. What we're trying to do is get credit for our protection of some of our commodities.

Mr. McKessock: I understand you have no control over the imports. What I'm saying is, after they get in here, can you not demand that they're sold through the marketing board?

Mr. MacDonald: To put it another way, is it within the powers of the Ontario Farm Products Marketing Board, that a board exercising agency powers can say, "Fine, you can import it, but you can't retail it unless it's channelled through the board"? The Canadian Dairy Commission has it.

Mr. R. G. Bennett: It's done by import permit.

Hon. W. Newman: So does CEMA, the Canadian Egg Marketing Agency. It could do it by permit, but that's on a national basis. We can't do it.

Mr. MacDonald: Just a minute. Why can't you? If you've got a board in the province of Ontario, why can't you say, even though it's imported, it can't be sold unless the records of it go through the board?

Hon. W. Newman: It's against the whole GATT negotiations that are going on now. In addition, those same peaches could come into Manitoba and be bought in Ontario; there's no interprovincial restriction on it at all.

Mr. McKessock: Sure. But when they come into Ontario, they'd have to go through the marketing board. If you want to get cheap peaches, you'd have to go to Manitoba; I guess that's what I'm saying. Of course Manitoba would soon do the same thing.

Hon. W. Newman: I only wish we could, but I'm told it's not possible.

Mr. McKessock: If you can do it federally; you say you can have agency powers nationally—

Hon. W. Newman: On a national basis, under the GATT agreement, to which Canada is now a party, imports have to come under the multilateral negotiations which are going on now, or bilateral negotiations with the US, as far as the tariff or dumping or anything else is concerned.

The Farm Products Marketing Board Act only applies to the province of Ontario. We have no jurisdiction outside of our boundaries for what's produced in this province.

Mr. McKessock: You're sure this can't be done? Have you checked with the federal government?

Hon. W. Newman: We've talked with them in Ottawa and we've talked to the GATT people.

Mr. McKessock: I'm not talking about import control. I'm talking about controlling everything that is imported by channelling it through the marketing board.

Hon. W. Newman: I only wish the government of Canada would give us that authority.

Mr. Chairman: Mr. McKessock, I think you're out of order. You're going into vote 1804, which relates to marketing. You're way off base here. We're on vote 1802, agricultural production program. You've gone on for 35 minutes, wandering all over the votes and estimates. I think we should stick to vote 1802 if we're going to complete these estimates properly.

We have personnel here from the Ministry of Agriculture and Food for this vote; if you keep wandering away, we'll have to have the whole staff of the Ministry of Agriculture and Food here, rather than those or the various votes as we're doing now.

Mr. McKessock: All right. I take it that the DHIA comes under this vote.

Mr. Chairman: That is correct.

Mr. McKessock: This is one program through which the Ministry of Agriculture and Food can do great things for agriculture. It's very sad that all farmers who want to be efficient and to get on with dairy herd improvement, can't get on. This upgrade and improves the milk business in Ontario, yet only some farmers can get on it. What is the ministry doing to correct that?

Hon. W. Newman: As far as the dairy herd program is concerned, I think it is an excellent program. By and large, most of the farmers who want to go on the program can get on the program.

Mr. McKessock: Yes, but—

Hon. W. Newman: Let me finish. There are areas where we don't have sufficient farmers to warrant putting a field man into the area. Or there may be other areas where we have a field man who is carrying too much of a load. I remember a recent case where a field man really didn't have a full load, and there was a special appeal to keep him on. We said, "If you get the necessary number of herds involved, we will leave him on the job. They did; they went out and got more farmers to get on the program, which I think is a great one.

Mr. McKessock: How many farmers are needed?

Hon. W. Newman: Around 25 to 30.

Mr. McKessock: I have a petition with about about that many names on it, I think; are you telling me that if I turn this in to you, they will be able to get a field man?

Hon. W. Newman: I will do the best I can, within the limitations of my budget and the staff we have, to try to work out something. Have you sent the petition to us?

Mr. McKessock: Yes, and I got a letter back from you, saying that in keeping within the government's policy of constraints—

Hon. W. Newman: That's right. As I said, the vast majority of farmers who want to get on the dairy herd improvement program have been in. What else did I say in that letter? I think there was another paragraph which you didn't read.

Mr. McKessock: You said: "I am pleased to know the dairy farmers in your area have such a high regard for our supervised dairy herd improvement program." But I am telling you, they will lose their regard for it if they can't get on it.

"In keeping with our government's policy of constraint on both budget and complement,

we have not been expanding the supervised dairy herd improvement program. As you know, this program is heavily subsidized, with members paying only about 25 per cent of the cost of the service provided.

"We are currently reviewing a number of points concerning this program and will certainly consider the request that your dairymen have made. Since this review has not as yet been completed, it is not possible at this time to state whether or not we will be able to accommodate this request.

"I am encouraged to know that dairymen are interested in production testing, as this certainly is basic to herd and breed improvements."

Hon. W. Newman: That's a little more self-explanatory than the one paragraph you read; that's all I am saying.

Mr. McKessock: That's right. I'm glad I finished it. That review you speak of here; has that been completed?

Hon. W. Newman: No, not yet. It will be shortly.

Mr. McKessock: What kind of review is this?

Hon. W. Newman: I think we are having a look at the total field staff in our ministry because of the number of staff that every ministry has to cut back. We are looking at the total province right now. At the provincial level we work in many areas of agriculture with the feds in terms of many of our programs. We co-operate with them on the ROP program, for instance.

Mr. McKessock: I would hope you could come up with the money so that everybody who wanted to could get on this program.

Hon. W. Newman: I would like to, too. But I think you have to look at the fact that we have many programs in the ministry and we have to decide where we are going to spend the money that we are allocated. As I said the other day, you can't go into the House and preach restraint, balanced budgets and everything else that we are trying to work towards, and then come into this or any other committee considering estimates and say to do this or that, or to spend some more money here and there. That's why we are looking at our total program. If we can realign our programs to accommodate all of these people, we would like to do it.

Mr. McKessock: Can you tell me how much it costs you to send me all those recipes I don't need? You can cut them out.

Hon. W. Newman: I am advised there is one girl working half-time, who writes the recipes.

Mr. McKessock: Who do they go out to?

Hon. W. Newman: There is a mailing list of about 600. We started mailing to all the members because we thought they might be interested in knowing what we were doing in the ministry.

Mr. McKessock: I see. Who else would get these recipes?

Hon. W. Newman: People phone or write to ask for them and we put them on the mailing list. Some names come off the list and some are added from time to time. It is not a very expensive program, I can assure you.

Mr. McKessock: I was thinking it probably should be done through the home economists rather than—

Hon. W. Newman: It is. That's who does it. It goes out through the information branch, but that's where it is done; it's the home economists who work in the ministry that know what goes into those recipes.

Mr. McKessock: If there is any way you can send them out on to the dairy herd improvement program? We would appreciate that more, I think.

Hon. W. Newman: I don't think one girl, working half-time, would do much of a job for you on the dairy herd improvement program.

Mr. McKessock: I suppose the beef performance incentive would come under this, too. The beef industry in Ontario over the last three years, as in Canada, certainly has been in a poor state. I know you don't agree with subsidies—and I don't either—unless they are the kind that would improve the quality of our industry in the province; the dairy herd improvement program for dairy cattle is an example.

I think any incentive program that we can give to our industry to improve quality is justifiable and would be much better than paying a straight subsidy which can increase production but does nothing as far as improvement in quality is concerned.

Recently I was over in Switzerland, where they have a performance pedigree incentive plan. Even without this performance pedigree plan, they are getting \$1.25 per pound on the hoof for their beef. But under this plan the government pays up to 25 cents a pound on the hoof as an incentive for a performance pedigree. The better your performance pedigree, the more money you get per pound it could vary from 20 to 25 cents, depending on your pedigree.

I know we have a beef performance program on in Ontario now, but I don't think there are too many on it. I doubt that you

would pay 25 cents a pound, but if there was an incentive similar to this that would encourage farmers to go on that performance testing, it would certainly improve the beef cattle in the province, probably keep them there, and help stabilize the industry.

Hon. W. Newman: On the beef performance testing, which is a big part of our ministry—it's a big program—we take bulls from all over Ontario and put them on tests for rate of gain, feed, feeds measured out and different feed formulas. They have to gain so many pounds per day or else they don't pass the test. At this point we have about 900 bulls from 300 breeders on test. These are performance-tested bulls and once they go through their performance testing, as a rule, they are sold to breeders. These bulls are what we call proven bulls; they have proved what they can do.

Yes, pedigree is very important, but pedigree isn't everything. I think it's very important. For instance, with Holsteins, you've got a good cow, a good-plus cow or an excellent cow, based on performance—

[10:45]

Mr. McKessock: I'm talking about performance pedigree. In Switzerland it's not just the bulls; it's everything. You don't see a poor cattle beast there, and I think this plan contributes to it.

Hon. W. Newman: Then you weren't in the same part of Switzerland that I was in. As a matter of fact, our breeding stock in Ontario is world-renowned. Last week I met with one of the Ministers of Agriculture from one of the Brazilian states—one of the larger ones, bigger than the province of Ontario—and he's up here buying more of our cattle. He has bought a lot of our cattle and eventually will buy 2,000 head from the province of Ontario. We'll be shipping beef breeding stock—we're working on it right now—down to Chile. We're shipping them to Switzerland, we're shipping them to Japan, we're shipping them to Italy—

Mr. McKessock: What are you trying to tell me?

Hon. W. Newman: I'm trying to tell you that we have the best damned cattle in the whole world right here and I'm very proud of it.

Mr. McKessock: That's right. That's exactly what they told me in Switzerland. They said we have very good cattle and that the Canadian buyers who went there to buy cattle were the best buyers in the world. I don't know where you saw those poor cattle in

Switzerland because they have good cattle. What I was trying to point out was—

Hon. W. Newman: I thought you were trying to point out that ours are not as good as theirs. I'll stack ours up against anybody's.

Mr. McKessock: No. I'm trying to point out that ours could be better; you can always improve. I was pointing out my interest in this program and saying I thought it would be a good suggestion for Ontario.

Hon. W. Newman: I might point out that the breeders requested that the subsidy paid on tested bulls be switched over to more facilities for performance testing of these cattle, which is exactly what we did. We did what the farmers wanted us to do.

Mr. McKessock: Would you like to put all the cattle on performance test incentive? I'm asking you to do that now.

Hon. W. Newman: No. Would you supply the money? We have to come right back to the basics. We have a good program and we have a reputation around the world for our beef breeding cattle and for our dairy breeding cattle.

Mr. McKessock: Do you think that that would be a good program if we could afford it?

Hon. W. Newman: I think the program we're on right now is the best program we could be on.

Mr. McKessock: Except that there is only a minimum on it.

Hon. W. Newman: There are 900 bulls on test this year, and 300 breeders involved; I'm not sure whether our facilities are at capacity right now. I assume they are.

We also arrange contract facilities, I forgot to mention; I think we even did it in northern Ontario. We arrange for contract facilities with a farmer to do this; he is paid so much under contract to performance-test these bulls. We had a problem in one area last year, we brought some bulls down to Guelph because there was some problem about working out a contract. But we do contract with farmers around the province to do this performance testing for us.

We're at not capacity yet. There is still room for expansion, though I think we are in the right direction when we are exporting so many of our livestock at this point in time.

Mr. McKessock: On the topic of money, I wonder if the capital grants program that runs out shortly is going to be updated. The \$3,000 per farmer ran out many years ago for most farmers. Newfoundland or Nova Scotia—one of those provinces—brought in a

new capital grants program of \$20,000 a couple of years ago.

Hon. W. Newman: Yes, but we're not subsidized by the federal government. I think you are assuming that the capital grants program is going to run out. The original announcement in 1967, I believe, said it would run for 12 years and involve \$129 million. But we've already spent somewhere around \$145 to \$150 million on that program. We have spent well over the original estimate. The idea of setting up the program, originally, was to encourage farmers to build new silos, to fix their barns, fence-lines and so on, which it did.

Mr. McKessock: Is this going to be increased? Did you say 12 years?

Hon. W. Newman: It was a 12-year program at \$129 million, but we've already spent more than was allocated to the program.

Mr. McKessock: Is it going to be renewed and increased?

Hon. W. Newman: I think that's a matter of decision. We'll have to wait and see what happens in next year's budget. It's in this year's budget—the one we're discussing today. I think \$10 million is allocated in this year's budget.

Mr. McKessock: Will you be asking for an increase in your budget for this?

Hon. W. Newman: I'm always fighting for more money for my budget, but I also have to look at the restraints that have to go on at another level. You're making an assumption here—

Mr. McKessock: No. I'm just asking if you will be asking for money for this capital grants program.

Hon. W. Newman: Of course.

Mr. McKessock: Fine.

Hon. W. Newman: I'm always looking for more money for my ministry. But we have an overall restraint program in the province of Ontario and we have to live within the guidelines. I'm sure every ministry would like to have more money to spend. We also have another problem of balance of payments. One of the other things—and I'm not getting political—is that you people hammered hell out of us on the last election campaign and now you've asking us to spend more. Let's be practical.

Mr. McKessock: You certainly would never hear me say anything about spending too much on agriculture, unless it was those recipes you're sending me.

Hon. W. Newman: If you don't like the

recipes, we'll cut you off our mailing list if you want.

Mr. McKessock: All right. You can cut me off.

Hon. W. Newman: Okay. Would you make a note to cut him off? If he wants to be cut off, we'll cut him off. It might save a few cents in postage.

Mr. McKessock: When you ask for more money for your ministry, you can say you have been in restraint for the last 10 or 15 years; so they shouldn't look at your ministry and say you have to cut down.

Hon. W. Newman: This year we got a 16 per cent increase in our budget from the year before, which is the second largest of any ministry in the government.

Mr. McKessock: Yes, but percentages are awfully misleading. If you start with nothing, a 100 per cent increase doesn't give you much.

Hon. W. Newman: You know, I never cease to be amazed at some of you fellows.

Mr. McKessock: A bit about the Royal Winter Fair was brought up the other day. I had a question for you in the House the day after the fair started, and the member for Huron-Middlesex (Mr. Riddell) mentioned it in the estimates the next day. Have you got anybody from your ministry down there to talk to people? I was amazed that you had to push buttons to get any response out of the booth and that there's nobody there to talk to.

Hon. W. Newman: Let me explain that; I think I went through this the other day. The display we have down there is an automated display that doesn't require any staff because most of our staff are working very hard in all aspects of the Royal Agricultural Winter Fair. A great number of our staff are required at the Food Festival Program. You should see the girls working in the kitchen there and preparing all the sample foods. That is our major program this year.

If you had been upstairs, where the commodity boards were before—and if you haven't haven't been there yet you should go upstairs and see it—

Mr. McKessock: I have been there.

Hon. W. Newman: —I'm sure you would have found a good reaction from everybody in every booth. I ask you to ask them how they think the whole program is going this year as compared to other years. It's a beefed-up program, it's a much more attractive program and there is a tremendous amount of interest being shown in it. But our own display is an automated one to cut

down on staff for part of it, because we have our staff specialists in there now. We're involved in all aspects of it.

Mr. McKessock: You may have the staff, but I think it would be good to have somebody in that booth at all times during the Royal Agricultural Winter Fair so that people can come along and talk to somebody from your ministry about land use, the Dairy Herd Improvement Association, the beef performance pedigree incentive program, or whatever.

Hon. W. Newman: But by the same token, I think most of the information could be obtained in the west annex, where the Food Festival is. I think a tremendous amount of inquiries are going there.

Mr. McKessock: To whom?

Hon. W. Newman: To the various commodity groups and to our people up there who are helping out on the Food Festival.

Mr. McKessock: The commodity groups are well displayed, but it's the government itself I'm talking about.

Hon. W. Newman: We're very much involved in it, both financially and otherwise.

Mr. McKessock: But not visibly, because there is nobody in the booth.

Hon. W. Newman: Now, come on!

Mr. McKessock: I would like to see the minister there for maybe an hour every day.

Hon. W. Newman: Good idea. If you wouldn't waste so much time and let me get out of here, I'd be glad to go and spend an hour there.

Mr. McKessock: I'll stop right now if you'll guarantee that you'll go down for an hour every day for the rest of the fair and answer questions.

Mr. Hennessy: Why don't you ask the Premier to go too?

Mr. McKessock: His name is up on the booth, along with the Minister of Agriculture and Food. Sure.

Mr. Hennessy: All right, why not let the member for Scarborough West (Mr. Lewis) go? Why not let everybody go?

Mr. McKessock: I would prefer that people interested in agriculture would go.

Hon. W. Newman: I'd rather be at the Royal Agricultural Winter Fair than right here.

Mr. McKessock: I am making this suggestion in the hope that you will do this next year.

Hon. W. Newman: We'll certainly have a look at it. Sure, we'll have a look at it. Do

you ever go to the International Ploughing Match?

Mr. McKessock: Yes.

Hon. W. Newman: Do you notice that we have specific exhibits there and staff people there to answer questions?

Mr. McKessock: That's good. You should do that at the Royal Agricultural Winter Fair.

Hon. W. Newman: That's what we did at the International Ploughing Match this year. More than 100,000 people go there and a good portion of them are from the agricultural community right across the province. We have contacts there. We have contacts in our agriculture offices all over this province. We have all kinds of information available to people. We are one of the few ministries that deals at the grassroots level.

Mr. McKessock: This is just a suggestion I am making. I think what you are doing at the ploughing match is great. I think something similar at the Royal Agricultural Winter Fair would be great too, because it involves a tremendous amount of spectators.

You could do what they do where the lady plays the organ; there's a sign up there, saying she will be there at certain hours. I think there should be a sign up at the Ministry of Agriculture and Food's booth, saying, "The minister will be here at 3 o'clock today and 5 o'clock tomorrow" or whatever, then people would be able to come back and have a talk with you.

Mr. Hennessy: Nobody would show up.

Mr. Chairman: It's hard to know who your friends are these days. Are you all through, Mr. McKessock?

Mr. McKessock: No, not quite.

Hon. W. Newman: May I say that normally during a Royal Agricultural Winter Fair I spend perhaps four to five days wandering around the show and talking to a lot of people. I really feel badly that I haven't had the time to do that this year.

Mr. MacDonald: We all do.

Hon. W. Newman: Sure, I know you do. If you wander around, you are not going to see our people dressed up in green uniforms. They are going to be out there working away.

Mr. McKessock: I couldn't find anything; that's what bothered me.

Hon. W. Newman: You couldn't find anybody at all?

Mr. McKessock: Not from the government.

Hon. W. Newman: Did you ask?

Mr. McKessock: No, I pushed buttons and nobody told me.

Hon. W. Newman: I see. Well, we will put a special sign in there for you next year.

Mr. McKessock: We will leave the Royal Agricultural Winter Fair for now.

Turning to the study that was referred to by Mr. MacDonald the other day, the farm income study, I was also concerned that the capital gains on farm land were included in that income, because capital gains are not income unless you sell. If a farm goes on for generation after generation, it doesn't matter whether it's worth \$1 or \$1 million, because capital gains shouldn't be a part of it.

Hon. W. Newman: May I say we did not do the study; we did not fund the study. It was done by post-graduate students and was funded by Agriculture Canada.

Mr. MacDonald: But published by O.A.C.

Hon. W. Newman: Sure it was published by OAC. They put a lot of publications out of there.

Mr. MacDonald: Not those with which they disagree seriously therefore, presumably, they agree with it to a sufficient extent that one should pay some attention to it.

Hon. W. Newman: I am not saying they shouldn't. What I am saying is that the report was done by students—and I am not belittling the students, because many students are very capable and brilliant and able to do it. Certainly we will be having a look at that study and taking out of it what we think best.

I agree that capital gains can vary from farm to farm—and farm land prices too can vary from year to year. It is a very difficult thing to work into the income situation.

Mr. McKessock: On the matter of the price increase in milk, I was contacted by a processor of ice cream who was complaining about not getting any advance notice of the increase—

Mr. Chairman: Mr. McKessock, that is under vote 1804, I must remind you.

Mr. McKessock: It is? Pricing of milk comes under that?

Mr. Chairman: That's correct.

Mr. Lane: Mr. Chairman, Mr. McKessock talked for so long that he did me out of the opportunity of a lifetime. The critic for the NDP had to leave the room and he delegated authority to me to speak on his behalf; I was going to have a field day. Unfortunately, before I got on the speaker's list, he was back. He will have to speak for himself, which takes away that opportunity from me.

Of course, this comes about as a result of the exchange we had yesterday morning when communications were good and we

could exchange ideas and so forth. That is why he delegated that power to me, I am sure. Thank you, Mr. MacDonald, for your feeling that I could handle the matter for you.

Mr. MacDonald: I won't ask to have that repeated.

[11:00]

Mr. Lane: In any case, let me get serious. I assume, Mr. Chairman, we are ranging over an entire number of items on vote 1802. I would like to make a couple of inquiries about item 3, crop insurance.

I understand that hay and pasture is rather a new aspect that has been brought into the program just this past season. Is that correct?

Hon. W. Newman: That's right. They have brought forth many new programs, but this is a new program this year. It is in its first year. There have been some problems, there is no doubt about it, but the Crop Insurance Commission is working with them now.

Mr. Lane: I am having inquiries from farmers in the program who are living on abutting farms and getting a different percentage of crop loss. There is a range from about 26 per cent to 36 per cent in a five-mile area. I understand that the crop loss is based on the lack of rainfall, temperature or sunshine or whatever you go by. It just doesn't seem feasible that there would be very much change in a radius of five or 10 miles. I am wondering if it is a form that the farmer fills out and which the insurance people assess, saying that this is the percentage? How is it that there is such a variation in a very small area?

Hon. W. Newman: It could be. There are several factors that go into crop insurance for the hay and pasture crops this year. They are all fed into a computer: fertilizer, soil conditions, rainfall. What are they Mr. Ediger? Heat, sunlight, rainfall and fertilizer?

Mr. Ediger: No, just those three—heat, sunlight and rainfall.

Mr. Lane: That was what I understood.

Hon. W. Newman: Okay. I wasn't aware; I thought fertilizer was a factor in it.

Mr. Lane: Well, it just seems to be that we all know that it can rain in one place and not in another but in a five- or 10-mile radius it would seem that it would be about comparable. Yet there is a fair 10 to 15 per cent difference in the crop loss suffered by these farmers in the program. I just wondered if there was some explanation.

Hon. W. Newman: There have been some problems; as a matter of fact, I think it was just last week that I was talking to Mr.

Ediger, who is chairman of the Crop Insurance Commission about it. They are having meetings now to try to sort this out, because it is not only in your area but in other areas of the province that there have been wide discrepancies. Some places did not get their rain gauges until June because we rammed the program through fairly quickly.

We didn't have much time to pull the program together and we wanted to get it in place for this year, with the result that there have been some problems. At this time, the Crop Insurance Commission is working on it. I don't know what stage they are at. Maybe we could ask Mr. Ediger if he could comment on it.

Mr. Ediger: This was reviewed for northern Ontario by the commission last Thursday. Many of the discrepancies between farms have been narrowed because most of them were the result of some farmers getting their rain gauges before or after their neighbours. Where two of them were side by side, one might have got a rain gauge a little earlier, and the other one who didn't have a rain gauge might be on a local station that may have been different from that farm. But a lot of those discrepancies have now been ironed out.

Mr. Lane: That is exactly the answer I gave the chap who called me last Sunday. He was comparing himself to a farmer down the road, but he admitted that the farmer down the road got a rain gauge three weeks in advance of his.

I said that he was operating at a drier time than his neighbour so that obviously would be the answer. But I had several other people who received rain gauges the same day and yet there was a 10 per cent difference in their hay or pasture losses. So I think there is a problem.

My people are asking me why there is a problem, and I don't know why. So I would appreciate it if, once you find out, you would let me know. I can then relay the answer to them.

Mr. Ediger: Most of that has been ironed out now. What area are you in?

Mr. Lane: I'm the member for Algoma-Manitoulin. I'm talking about Manitoulin farmers at the moment.

Mr. Ediger: That is being ironed out now and they should have their answer within a week.

Mr. Lane: Good.

Mr. Ediger: The discrepancy will be very little now.

Mr. Pope: Val Gagné and Monteith too?

Mr. Ediger: The same thing there.

Mr. Lane: I appreciate that very much, Mr. Minister.

Hon. W. Newman: It is new and we have had some problems. I would be less than honest if I said it was working perfectly the first year but we are trying to sort it out.

Mr. Lane: I was getting a lot of inquiries. It seemed to be pretty hard to explain why this would come about on abutting farms, both taking the same amount of rainfall and reporting on the same basis.

The next matter I'd like to discuss a little is the farm income stabilization program. I know the cow-calf program won't be part of this program until the end of five years. That's right, eh? We're going to go the five years and then bring the cow-calf program under this stabilization program?

Hon. W. Newman: That is the general intent at this point in time. I had a breakdown of some figures here on the cow-calf program, because there's a lot of confusion in the country between the federal and provincial programs; the farmers are completely confused. It's unfortunate that a notice went out from Ottawa just about four weeks ago—and I'm not being critical—which only confused things even more.

But at the end of the five years we probably would look at it. We're committed for five years. Hopefully by that time we would have a proper national stabilization program worked out. In those provinces that have stabilization for the cow-calf program this year, including Saskatchewan, Alberta, Ontario, Manitoba, British Columbia and Quebec, the feds said they would pay only half of what they normally would pay, because we had our own program. So those provinces that had no program stood to benefit more from it.

You might be very interested in some figures. We did a breakdown on this. In the province of Ontario, for instance, the total payout from the federal program this year—because they're only paying half—will be \$493.77 for a 100-cow herd. They have cut it badly and are only paying for about 70 per cent of the cows.

This is based on an estimated figure they're going to give us for the price per pound. We don't know what that final figure will be. We've announced our final figure of 51.5 cents per pound. I'm assuming that it will be considerably less because of the way they're going to work it out.

Assuming the provincial average will be 38 cents—and it looks like it's going to be very

close to that—on a 100-cow herd, the total payout to the farmer, including the \$493.77 from Ottawa which they will send out as a separate cheque, will be \$3,869.98. We have to assume that 38-cent average, and we have to assume what the federal stabilization price will be.

They're monitoring the situation right now. Most farmers work on a calendar year, and we will try to get our cheques out within the calendar year as we've done in the past. Otherwise, it can really foul up a farmer's tax structure the next year.

We've also asked the feds if they will make an early announcement so their payments can go out to the farmers during the calendar year. We're not sure whether they're going to do it or not, but we are shooting to get the cheques out so they'll have them for New Year's Day anyway.

Mr. Lane: You've done that in the past few years, I have to say it has helped the farmer with what he is doing there.

Hon. W. Newman: It's been difficult with the federal program on top of it, because it has left it very confusing. But on a 100-cow herd the total pay-out by the feds is \$493.77, assuming certain prices they've indicated to us as the basis for what they'll probably be setting the price at. It may be less; it may be a little more.

Mr. Lane: Actually, then, the cow-calf program may never come under our farm stabilization program per se. It may be integrated with the federal plan and we'll have something—

Hon. W. Newman: As I said the other day, we're working towards that. We've got a harmonization committee working now with the various provinces because I truly believe that we need a national program—with provincial financial participation, and with producer participation. I truly believe that and I said it before and I still believe it. Some day, if we can get a meaningful national stabilization plan, we might actually be able to do away with our program in Ontario and just work with the feds on it.

To me, the worry is they might pull out in two or three years and leave some further problems.

Mr. Gaunt: They would never do that, unless the government changed.

Hon. W. Newman: They have pulled out of a lot of cost-sharing programs now, I'll tell you. But we won't get into that.

Mr. Lane: As I said yesterday, I think we can be quite proud of the cow-calf stabilization program in Ontario. However, I'm going

to be a bit critical about procedures this year. Last year you discussed with me—and others, I'm sure—whether we should change. We decided not to change; we'd leave it the way it was the first year—a \$5 registration fee per cow and a guaranteed 50 cents per pound.

This year we went to an \$8 registration fee per cow and 51.5 cents a pound. On a percentage basis, the \$3 increase on \$5 is a hell of a lot higher percentage than the cent-and-a-half increase on 50. So I would have been much happier if we'd left the thing alone. However, that's a personal point of view.

Hon. W. Newman: As a matter of fact, just to give you some rough figures here, there are 350,000 cows involved in our program this year and, at an extra \$3 premium, that's about \$1 million. If we're paying 51.5 cents, every one-cent-a-pound increase costs \$1 million. So actually the increased premium this year did not even cover the increased price that we allocated.

Mr. Lane: So why did we bother changing it then?

Mr. McKessock: Good question.

Hon. W. Newman: It's as simple as that—we're paying 51.5 cents. As a matter of fact, if you look at the program as it was originally drawn up, it was to be on a two-for-one basis, I believe, and it's not; it works out to about a 14-to-one basis.

Mr. Lane: There is a lot of mathematics involved there. The normal producer feels that if he's got to pay \$3 more per cow, he should be getting an increase of more than one and a half cents in the stabilization.

Hon. W. Newman: The \$3 for every cow that's registered right now does not yield as much money as the one and a half cents we've added.

Mr. Lane: I can appreciate what you're saying. But I think we should get this out to the farmer; I don't think most of them believe it would be that unless it's—

Hon. W. Newman: The rule we go by is that every cent that's paid out per pound costs \$1 million.

Mr. Lane: Okay. The other thing in regard to this program is that, as far as I'm concerned, any stabilization program should only be temporary—a stop-gap measure to help an industry over a rough period of time. But if it's a permanent situation we're faced with, then whatever is wrong with it on a permanent basis should be corrected or we should forget it. We shouldn't subsidize something forever, because that just means somebody else has got to carry the load.

I don't think our beef producers can ever realize a realistic price for their product without stabilization or subsidization, whatever you want to call it, from government until we have some control, as my friend was saying a few minutes ago, over the imports from countries whose production costs are so damned much cheaper than ours. I'm sure Mr. Whelan is very concerned about this as well, and yet he hasn't been able to prevent an overload of stuff coming in from New Zealand and other places, keeping the market down for our own production.

I think we're fooling ourselves if we're trying to say to our farmers we're going to put a floor on the industry for you so you're not going to go bankrupt. Supply and demand is always going to be where the profit or loss is, and we're not going to have very much profit as long as we have a lot of beef coming on to the market from New Zealand or other places that can produce it much cheaper than we can.

There must be some way we can get involved, as Mr. McKesock indicated earlier, and have some control over this; I know we don't have any control at the moment, but I think this must be the answer. I can't see how else we're ever going to get that real right place for the product that we're producing in this country. I think it's unfortunate.

I realize we must have a balance of payments with other countries that we trade with, but I think it's unfortunate the farmer has to bear the brunt of this thing.

Hon. W. Newman: I couldn't agree with you more, John. I can only reiterate what I said here the other day, that for two years we've been hammering away for a beef import law. Australia and New Zealand are on voluntary quotas this year. I can't give you the total figures, but they're a lot less than they were the year before, when beef came in here indiscriminately. Of course, the answer I got from Ottawa originally and I'm not being political when I say it was that a beef import law really doesn't accomplish anything, I said, "The United States has one," and they said, "They'll never use it." As you know, it was triggered last November and it touched off a worldwide reaction among our producers as well as offshore people.

I have always said that we need a strong beef import law here in Canada. Mr. Whelan has now said publicly that he intends to bring forward a beef import law, which I think is long overdue. I give him credit, because I'm sure he has run into a great deal of resistance from his cabinet colleagues on bringing in a beef import law.

[11:15]

I also have to give him credit for speaking out recently in tariff support. We have a united front in the agricultural community in Ontario—the farmers' federation, all the marketing boards and all the farmers—in realizing the problems we're faced with in tariffs. He made a speech, which I have not had a chance to read—I just got a copy this morning, so I am going by what I read in the paper—in which he now is talking about some tariff reciprocity and seasonal tariffs in Canada.

I think this is great, because previously we always had a western Minister of Agriculture in Canada—and no disrespect to any government is intended—whereas I think Mr. Whelan understands that Ontario is a big province and produces a lot of commodities. Certainly I think he will be an ally to us in our present pushing and hammering. Hopefully our good friends here in the Liberal caucus will support what we are doing and point out the need to some of their federal Liberal friends. I would appreciate it. I am not being political when I say this, because I feel we all agree that the tariff structure is terrible. We have been trading off agricultural products for other commodities and that has got to be rectified.

The total agricultural processing industry in Ontario has less than four per cent protection. That is ridiculous when you get some industries with as much as 35 or 40 per cent protection. Protection is perhaps the wrong word to use. We are not asking to build a wall, but we are asking for a fair break, which is long overdue in the agricultural industry.

Mr. Lane: I have been watching Mr. Whelan's efforts and I think you are right. He has not been getting the support he should have been getting from his colleagues in the cabinet. The Ontario farmer has been hurt by this. I think you agree that we are not going to get the proper price for our beef cattle until there is some control on imports.

Hon. W. Newman: I could not agree with you more. I should not be praising Mr. Whelan so much, as a federal election is just around the corner. I probably will get in trouble for this, but I do think he has the farmers' interests at heart.

Mr. Lane: I think it is fair to give credit where credit is due. Unfortunately, he has not been able to have his way enough over there. Thank you, Mr. Chairman. I will yield the floor.

Mr. MacDonald: You were referring to Gene Whelan's promise that he was going

to bring in a tough beef import law. Isn't that in violation of GATT?

Hon. W. Newman: It is not. It could be challenged, but the US did it and was not challenged.

If some country could prove that it has been done a great deal of injury by a beef import law that sets quotas for various countries bringing beef into Canada, it probably could be challenged under GATT.

Mr. MacDonald: I am asking because we know we have been stalled for a long time on the national chicken marketing board. They are stalling because they want to get all the provinces in since it was argued by the lawyers that if you did not have all the provinces in, you could not have a national supply and management program.

My understanding is that you cannot pass import restrictions unless you have a national supply and management program. Under those conditions, you can do it and be within the four corners of the GATT agreement. I am just puzzled, as you say you can do it one time and cannot do it another time.

Hon. W. Newman: There has to be a period set aside on a beef import law, whether it is 1972, 1973 or 1974, when beef was being imported in traditional quantities in contrast to 1976, when there was a huge surplus around the world and beef was literally dumped in Canada. I have forgotten the figures, but twice as much as normal came into Canada in 1976.

If we are talking about a traditional quota on imports from other countries, I don't think you would ever be challenged on a beef import law. The only time you might be challenged by the multilateral GATT negotiations would be if you said, "This year we are going to cut off everybody. Nobody can send any beef in." That might be challenged in the international courts.

Mr. MacDonald: Transfer that to the chicken situation; all the chickens that have been brought in cheaply from the United States are certainly making problems in Canadian marketing.

Hon. W. Newman: Serious problems.

Mr. MacDonald: Are you saying that if the amount of chicken being brought in is in excess of the flow of imports back in 1972 to 1975, or whatever period, that there could be an import law to block that without getting a national marketing agency?

Hon. W. Newman: Are you asking if there could be a national broiler import law?

Mr. MacDonald: Yes. A tough import law like your beef.

Hon. W. Newman: There have been no traditional quotas to follow in that area. However, I feel that a national broiler plan is very important, because there are active quotas in a broiler plan.

By the way, the province of Ontario has signed the agreement. I think we were the first province to sign the agreement for a national plan in broilers. Let's not kid ourselves; we are not going to have a broiler industry in Ontario or in Canada a couple of years from now if we don't have a national plan.

There is no way we can compete with, say, Georgia, where a lot of them are coming from. In Georgia they don't have the heat problems, the housing problems and all the other additional costs that we have. If we don't get a national supply and management program in the broiler industry, we are going to lose the industry. The spinoff effects are horrendous because they use a tremendous amount of corn and home-grown grain to feed those broilers.

I am very concerned that there has not been a national broiler plan brought in. There have been problems with some of the provinces and processors who have hangups. Believe me, we have been having meetings. I think that Mr. Doyle, executive director of our marketing division, had a meeting as late as yesterday with some of our people to discuss the matter.

We are concerned. What worries me is that if we don't get it in by the end of this year, it may be necessary for Ottawa to start out on a whole new set of hearings—and that would delay the whole thing almost another year.

Mr. MacDonald: I was just trying to clarify when you can and when you cannot put on tough import laws. I will be frank with you: I am not absolutely certain that it is clear in my own mind as to when you can and when you cannot do that. But I will leave that.

Let me come back, somewhat wearily, but in the hope that we can achieve some degree of common ground, to the whole question of prime agricultural land. Let me begin by asking you this question: You have fixed the end of this year as the deadline for reactions to your food guidelines?

Hon. W. Newman: That's right.

Mr. MacDonald: When you get all those reactions in and you have assessed them and revised the guidelines in light of that full input, are you going to give them the force of law?

Hon. W. Newman: They will not be legislated. We will do what we are doing now in many cases; we will apply the guidelines to official plans, zoning bylaws and subdivisions. We are applying the guidelines to them and making recommendations to the Minister of Housing.

Mr. MacDonald: Let me pick up from where Mr. McKessock left off. A guideline, by definition, is not a law; a guideline is only, as it says, a guideline. Therefore, there is flexibility to play games with it. We have had plenty of experience that when the lawyers get at them, even laws can be bent and twisted, if not broken. What you can do with guidelines is obviously greater; the worry is in the flexibility.

I agree with you to the extent you want the flexibility to provide an opportunity for the local people and the local governments to step in, assess the situation and come up with zoning plans and official plans which will protect prime agricultural land. As I said when we started considering these estimates two or three days ago, God help us if Queen's Park and the bureaucrats attempt to assess all local land across the province, down to the acre or the township. It is not a viable and effective way to go about it. However, if you are going to have some force in the thing, you need more than just guidelines for what they are going to do out there.

This is the whole difference between Bob McKessock, myself and you. Certainly it is the main difference involving OIA and ROMA. I am increasingly puzzled as to why you are so stubbornly saying, "Sure, we are going to have guidelines but they are not going to have the force of law." If you really want to protect prime agricultural land, why don't you give it the force of law? Why do you leave that flexibility to play games?

I'm not going back over what has been our policy in voicing the views of the OIA and ROMA and a lot of individual farmers in terms of designating class one, two and three land. I just want to stress this, because you come back and start to beat that dead horse.

I'm trying to come up with an alternative. An alternative in the pattern of the Danish experience is that you legislate the requirement that there be official plans drawn up which reflect priority areas, which would include the urban priority area, the recreational priority area and the mining-forestry priority area, but primarily would be intended as a protection of the prime agricultural land.

May I dare to suggest something of a compromise? You should have a law that all the

regional governments set up an official plan—, incidentally, that requirement is now in all their Acts; within five years they're supposed to come up with an official plan—and you should extend it in whatever way you deem appropriate to all other rural municipalities that aren't moving towards official plans. They should also be obligated to move towards the development of an official plan. You would thereby provide what in effect is an attempt to put in law the guidelines that emerged from the Huron study, saying "This is your pattern and your approach." Then you could say that class one, two and three designations of the CLI are initial guidelines.

It worries me that I'm willing to back off to some degree. I almost hesitate to say this because you'll use this against me that I'm sort of forsaking the policy I've been espousing for a long time—

Hon. W. Newman: No way.

Mr. MacDonald: —but one of the reservations I've had about our policy is that the CLI is not up to date and is not accurate in many instances. You know what happened in the Townsend site in Haldimand-Norfolk when they went in and reassessed the Canadian Land Inventory in that area. They discovered there was a much larger percentage of class one, prime agricultural land that was being used when a less high category land could have been used for that kind of massive new development.

Why can't that be done? It's idle to say you're going to protect prime agricultural land if you, working with your partners at the local level, don't provide assistance to service and make available alternative, less valuable land.

Let me illustrate my point. You and your fellow minister in Housing said to the people in the Niagara peninsula, "You've got to pull back those borders. You're gobbling up too much of the prime of prime agricultural land. Furthermore, redirect your growth on to less valuable land."

There is less valuable land, lots of it in the southern part of the Niagara peninsula, but it's idle to tell this to a developer who wants to use that prime agricultural land on the fringes of St. Catharines. He's going to push for it if there isn't a clear official plan which says, "No, you can't go there. That's an agricultural priority; there's no point in you wasting your time."

There's no point in going through hearing after hearing and spending tens of thousands of dollars in legal fees. This whole policy is becoming the outdoor relief department of the legal profession.

That, I think, is the point that McKessock was trying to make. Too much money is being spent because people think they can get around a guideline. They're right; you can get around the guideline, because it isn't a law. But you can move towards establishing and protecting priorities by saying to everybody, "It simply cannot be done without the most convincing proof that it must be done." You must say there is no alternative of lower-class land or that it's an absolute must in terms of community development.

[11:30]

May I raise one other thing that appears to be a breaching of the rather adamant stand we've been taking in this party, a stand that the OIA and a lot of others have been taking too?

I agree, when you do that, you've got to take into account the kind of thing that is done in Denmark; there, when they say this is an urban priority, they may include prime agricultural land that is already sufficiently compromised that ultimately it is likely going to be used for urban purposes. That means, in the methodology that was developed in Huron, that the urban shadow around Goderich would be deemed to be in the urban priority area. You might continue to do agriculture in it for five, 10, 15 or 25 years. If it's a very slow growth area, it might even be for 50 years. But people would know where they stood on it. That's the only area where you could have repeated hearings and pressuring to try to get it because it has been designated as being in the urban priority area.

Let me come back to the point I'm really putting to you. Why is it that you are so adamant in refusing to give the guideline the backing of law, once you've had all this input and reassessed it? Why not do it, perhaps in the context of the Danish experience, by requiring in law that not only all the regional governments which are now committed by their private acts, but all other rural counties, shall move to develop an official plan within a certain time frame—surely five years is long enough; two years might even be a more adequate time frame to come back—and in implementing that, they must take a look at the CLI, bring it up to date and follow the priority insistence you've put in the law? Meanwhile, we will have clarified the whole picture to some degree so that we will appear to be putting the law back of our noble professions of saving this precious natural resource.

Just one final comment, if I may, on Bob McKessock's contention that you're sort of

using the prime agricultural land down here but you'll be tougher in protecting it up in Grey county because the pressures aren't so great. To a degree, I suppose, that's almost inevitable. The pressures are down here. We haven't got two or three million population up in Grey county pressuring for urbanization.

The point that is implicit in that whole thing is that we are high-grading one of our basic precious natural resources. Just as governments have said to mining companies, and by way of regulations, that they couldn't high-grade the best ore and make the fastest buck and leave the poorer ore to be picked up some time later when there's a new technological process or something of that nature, it seems to me that what you've got to do in the whole attempt to establish something with the backing of law is to stop as much as possible the high-grading of this precious natural resource.

It's idle for you to talk about those 17 million acres out there that we may use in the north. Let's face it: That's not prime agricultural land. It's lower-class land which will require billions of dollars to be spent before you can bring that land—if you ever can, because you haven't got the adequate heat units there—into the class one category.

You're guilty of tolerating the high-grading of one of our precious natural resources, and I think that's the kind of thing that should disturb you so you'll have a sleepless night tonight.

Hon. W. Newman: Mr. Chairman, the member has made some very interesting and very fine remarks, but in the process of making his own remarks, he's answered his own question.

Mr. MacDonald: How?

Hon. W. Newman: You started out by saying the Danish people have said official plans must set up their priority areas. Right? And you think that's great?

Mr. MacDonald: Right.

Hon. W. Newman: But you're prepared to compromise even that. Right?

Mr. MacDonald: Why?

Hon. W. Newman: To make it not quite so tough.

Mr. MacDonald: In what way?

Hon. W. Newman: That's just what you said. You were prepared to go along with them but you wouldn't be quite as tough as the Danish people are.

Mr. MacDonald: No, I didn't say that. I said that in the Danish instance an urban area included the shadow, which may re-

main in agriculture for a time and ultimately be gobbled up. Let me illustrate it—

Hon. W. Newman: Let me assume that you didn't say that.

Mr. MacDonald: Okay. Don't assume what I did and didn't say. I'm telling you what I did say. Let me illustrate what I did say so that you will understand it. You won't be confused any more.

Hon. W. Newman: If anybody's confused, you are.

Mr. MacDonald: A classic example of an area that is the urban shadow is the hole in the doughnut in Mississauga. Look, I'd be willing to get up on my political podium long with you and say we've got to protect that land and so on; but, for God's sake, let's be realistic. Ultimately, since it is already encircled, the best you can do is to establish good recreation areas and planning so that, instead of having urban development wall to wall, and no opportunity for open space, you can perhaps maintain some of it as agricultural land for five or 10 years or something of that nature. That is in the category of the Danish approach of it being an urban priority area. And that is not a compromise. I think that is a realistic assessment.

Hon. W. Newman: Okay. That's just beautiful, I'm glad you made that little speech, because you are talking exactly about what we are doing. You actually discussed it and explained it better than I have. It's exactly what we are doing. I really want to thank you for that.

Mr. MacDonald: Thank you, but I don't believe you.

Hon. W. Newman: You are talking about setting up priority areas as the Danish people do. That is what the guidelines say: "Set up our priority areas. Save the best agricultural land. Use it only when you need to. You have to have justification." You talked about the hole in the doughnut, the area surrounded by urban development now, and wondered whether there should be planned development. But that is what we are saying here.

Mr. MacDonald: Why don't you give it the backing of law?

Hon. W. Newman: Let me finish. What you are saying is, that planned development is what we need; and that is what the guidelines are all about.

You talked about the Niagara Peninsula as a good example of where the government stepped in and said, "Yes, you must pull in our guidelines." How do you think we went about doing that? How do you think we went about pulling those boundaries back?

Mr. MacDonald: How?

Hon. W. Newman: Under our present Act, the Planning Act.

Mr. MacDonald: You said, instead of saving 7,000 acres, you would save only 3,000 or 4,000.

Hon. W. Newman: Did you know you're hawking?

Mr. MacDonald: And you blew the rest of it.

Hon. W. Newman: Come on!

Mr. MacDonald: You did.

Hon. W. Newman: Listen, what we saved was primarily the lands you are talking about. The figures you are using include roadways, lots in the middle of St. Catharines and everything else. Check your figures out, look at the maps and see what was done down there.

Mr. MacDonald: I have.

Hon. W. Newman: Look at them a little more carefully. I am saying in effect that what happened in the Niagara Peninsula last year is exactly what is going to happen in Stoney Creek—

Mr. MacDonald: That's what I am afraid of.

Hon. W. Newman: Under the Planning Act right now the province has the power to approve or disapprove a plan. We are saying, "Use those guidelines," and we are using the Planning Act to say, "Pull in your boundaries." So in effect you have answered your own question.

Mr. MacDonald: Mr. Minister, please don't misrepresent my position.

Hon. W. Newman: That's what you said, isn't it?

Mr. MacDonald: Just a minute. You have said that down in the Niagara Peninsula you are saving prime agricultural land. Forgive me, but that is a fatuous statement.

Hon. W. Newman: Why?

Mr. MacDonald: Seven thousand acres were wanted and you have agreed they can take only 3,000 or 4,000 acres—I have forgotten the figure.

Hon. W. Newman: It's close to 4,000 in Lincoln.

Mr. MacDonald: So you have permitted 3,000 acres to go. That's destruction by instalment. The next time the jokers come to you in 1985 you will give them another 3,000 acres. Do you know what the score will be by the year 2000? It will all be gone. And your objective is that it shouldn't be gone? Please don't misrepresent it.

Hon. W. Newman: I am not misrepresenting it. You yourself have just finished saying

there should be planned development. You use the hole in the doughnut for an example; then you turn right around and change your mind in Niagara. You are so inconsistent on this whole thing that you are getting yourself confused and you are going to get your own party in trouble on your policies.

Mr. MacDonald: Don't you be fearful about my problems. Yours are greater than mine.

What I have said about the Niagara Peninsula is that if the prime agricultural land is going to be protected and the fruit lands are irreplaceable, they should be protected. You and your government shouldn't have tolerated for one moment the gobbling up of another 3,000 acres. But you have done it. You should have followed your own directive of a year earlier and said to them: "No, that is prime agricultural land. It cannot be used. Go down to the southern part of the Peninsula. And just to show you that we are with you, we are going to help provide some funds to have it serviced so you can say to the developer, 'No, you can't go in there. It is prime agricultural land. But you can go there because it is not prime agricultural land. And that is where the development is going to be henceforth'."

Hon. W. Newman: That is exactly what we have said.

Mr. MacDonald: But you've given 3,000 acres away.

Hon. W. Newman: Listen: I ask you nicely, to spend half an hour with our people some day—

Mr. MacDonald: I've spent half an hour with Mel Swart who knows more about it than your people or anybody else. He has been living with it for years. He knows the details and he has worked with the planners who have been conned by some of the politicians in the local regional government. If you want to find out the facts, ask Mel Swart.

Hon. W. Newman: I have talked to Mel Swart. But I ask you to look at the maps and see exactly what has happened.

Mr. MacDonald: I have.

Hon. W. Newman: Just take the time to look at them. On the 3,000 acres that were allowed for development, would you say some planned growth should be allowed? You just finished saying that, right?

Mr. MacDonald: But not there. That is the flexibility. That is the guideline.

Hon. W. Newman: All right. But let's look at the 3,000 acres that were allowed to go forward. Yes, some of it is developable land. But I don't think this was ever made very

clear: those 3,000 acres that were allowed to go forward included every lot. They included a parcel of three or four acres right in St. Catharines. They included, I believe, road allowances that are already there. So come on!

Mr. McKessock: How many acres were the three acres and the road allowances? What portion of the 3,000 acres were they?

Mr. Spencer: About 10 per cent.

Mr. MacDonald: But, look, there is an even more devastating reply to your position. I happened to be on a panel with the mayor of St. Catharines for about two years down there. We extracted from him that there is enough land within the city of St. Catharines now, which, for infilling, would meet all of their population requirements until 1985. I hope that by 1985 you will have sorted this thing out. There was no need to hand them another 3,000 acres. That is in violation of your objective. That is not planned development.

Planned development, in my terms, if it has the objective of protecting prime agricultural land, doesn't involve giving away prime agricultural land. That is double-talk.

Hon. W. Newman: You have just finished saying yourself "good agricultural land." You used the example of the hole in the doughnut. There should be planned development there, so that farmers who are there know how long they are going to be there for. You just finished saying that. Now you are turning round and saying the opposite.

Mr. MacDonald: No, I'm not.

Hon. W. Newman: Oh, yes, you are. That is one area I am rather familiar with. You are talking of cutting them off completely, saying there is enough within St. Catharines to look after them until 1985.

Mr. MacDonald: Right. Their own mayor is saying it.

Hon. W. Newman: And you just finished saying a couple of minutes ago that in 1985 they will be back for more land. There is enough land now in the Niagara Peninsula set aside in the official plan which is there. It has now been designated. It is there. It is permanent. It is in place. That land will be preserved for ever and a day. There is enough land allocated in the Niagara Peninsula right now to develop until well past the year 2000. If you don't call that good planning, I am surprised. We have saved areas down there. We have even gone into areas where they have had planned subdivisions and said, "No, you can't put them in there."

Mr. MacDonald: I am not going to pursue it any further, other than to reiterate this

You will never persuade me that you are fulfilling the objectives of your own policy to protect prime agricultural land, when there is alternative land on which the development could take place, and when you have just predicated your whole case on the giving away of another 3,000 acres. That's double-talk.

Hon. W. Newman: No, it's not double-talk. I asked you, and I'm going to ask you again, to look at the maps and at the total situation and see what was done.

Mr. MacDonald: Let me move on to my next point. I suppose I anticipate in advance that you are not going to be able to give a definitive reply at the moment, but I just want to raise with you anyway what your thinking is—if you can disassociate your thinking from what might come out of the government policy—on this taxation problem.

I agree if farmers are going to be locked into prime agricultural land and not be able to sell it for \$1 million or whatever, they are going to need some compensations for it. In other words, they can get some hope of a return on the investment they have on that prime agricultural land, commensurate with what you would get if you invested elsewhere in the economy.

One of the problems in ensuring farmers of an adequate return is taxation. Farmers put it on the basis that taxation should be related to the productive capacity of the land, not to market value, because the market value obviously is being inflated and is way out.

What the Federation of Agriculture is now asking—you have a copy of the brief that came in in July—is that you should assess the farm unit, the land, the farm buildings and the farm residence, on the market value assessment, so that you have a common standard all across the province. The tax for the farm buildings and the farm land should be eliminated altogether by statute, and the municipality should be compensated by an unconditional grant from the province to cover that. If I understand it correctly, the federation's answer is that on the residence the farmer should pay in the same way as everybody else pays.

Hon. W. Newman: No.

Mr. MacDonald: Well, as I understand it. Or are they saying that the assessment of the home should not be on market value assessment but on farm productive value assessment, and therefore they would be paying less on the home than is paid on a residence elsewhere? Is that your understanding of what they are saying?

Hon. W. Newman: Now you are getting closer. My understanding of what they are saying is that the house, because it is not on a separate lot, should be assessed at a different rate than the normal house that's on a separate lot that's saleable.

Mr. MacDonald: In other words, you can have market value assessment and then you can have a percentage of that assessment for tax purposes?

Hon. W. Newman: Right.

Mr. MacDonald: So let's not talk about assessment. We are talking about the base on which the tax is going to be calculated. What they are saying is that the original calculation should be the productive value of the land—of everything, including the residence—rather than the market value that it might claim at any given time.

Mr. Pope: It is like the income system they use for shopping malls.

Hon. W. Newman: My understanding of what you are saying, by and large, is that if it is assessed at full market value, the full market value of the assessment of the house on the farm is not really the full market value of the assessment of the same house on an individual lot.

Mr. MacDonald: Yes. What is your own reaction to this? Or dare you give it?

Hon. W. Newman: I will just tell you what I said the other day and I won't go any further. It is the intention of this government to make sure the farmers are not hurt by any new assessment or taxation system.

Mr. MacDonald: That's as noble a profession as protecting prime agricultural land.

Hon. W. Newman: But I would like to ask you a question, if it's permissible.

Mr. Chairman: Go ahead.

Hon. W. Newman: Are you suggesting that if a farmer is in a high-priced land area, forgetting the taxation assessment and everything else, are you saying that the government should be buying or paying the farmer the equivalent of the development rights?

Mr. MacDonald: Paying the equivalent of the development rights? We have never been in favour of that.

Hon. W. Newman: I thought you were saying that about the farmer who got into a high-priced land. That's why I am asking you. That's why I moved down this way.

Mr. MacDonald: No, the only people in favour of that are the Liberals.

Mr. McKesock: I never heard that.

Mr. MacDonald: That's a good political ploy out on the hustings. But it's morally and otherwise not defensible.

Hon. W. Newman: What you are really saying is: What is my opinion as far as the taxation on the farm land is concerned? I can assure you that I have made my representations known to the Treasurer of this province very loudly and clearly. In the fullness of time you will know exactly what's going to happen, and the farmers will not be hurt.

Mr. McKessock: Are you taking the OFA's proposal to the Revenue Ministry on behalf of the farmers?

Hon. W. Newman: I have met with the OFA. I have talked to its president on many occasions about its brief. I am fully aware of what it thinks and what it wants. I am sympathetic to its brief.

Mr. McKessock: Are you taking it to the Ministry of Revenue?

Hon. W. Newman: The minister has got a copy of it.

Mr. McKessock: But are you prepared to discuss that area with the ministry on behalf of the farmers?

Hon. W. Newman: Do you really believe that I don't discuss this whole assessment thing with the cabinet?

Mr. McKessock: I am just asking.

Hon. W. Newman: Well, I have—at some length. What goes on in cabinet is confidential. But I can assure you I discussed the OFA brief and many other briefs. If you think I haven't spoken on behalf of the farmers, then you have got something else.

Mr. McKessock: It shouldn't be confidential for you to tell me yes or no.

Mr. MacDonald: When, in your estimation of this evolving situation, will a decision be made?

Hon. W. Newman: You will have to ask the Treasurer that.

Mr. MacDonald: That's what I thought. It's the Treasurer—not, God help us, Revenue.

Hon. W. Newman: No. The timing is the Treasurer's. Revenue, or whatever ministry does it, will make the necessary—

Mr. MacDonald: Revenue implements it. The policy decision will be made by the czar.

Hon. W. Newman: But not without a lot of input from other ministries, especially my own. We had many long chats about it. That's all I am prepared to say today.

Mr. Riddell: I want to make several points under this vote but, to get back to the preservation of agricultural land, you indicated

you were fairly familiar with what was going on down in the Niagara Peninsula. I am just wondering if you were shown a copy of a letter from one of our recognized farm organizations to the Premier. If so, what was your reaction to it? The letter reads:

"The provincial board of the Christian Farmers' Federation of Ontario protests your lack of commitment to agriculture and to the agricultural community in the Niagara Peninsula, as demonstrated by the Minister of Housing's announcement February 16, 1977. That announcement makes no substantial difference in the amount of farm prime food lands to be lost to urbanization.

"The 3,000-acre figure is most misleading as it relates to plans in 1974 and it completely ignores many acres of class one and two food lands crucial to a health agricultural industry in the Peninsula. It contradicts in so many ways the food land guidelines, as weak as they are, that were announced at the same time.

"This move does nothing about the basic non-existence of a commitment to the long-term needs of the agricultural industry in the region. Your action reflects an inadequate commitment to preserve our food lands in the Niagara Peninsula. Your action will set a precedent for all municipalities in Ontario, to do with their prime food lands whatever they please without regard to national or international food needs. Your action will encourage municipalities to ignore the guidelines for food land planning that your Ministry of Agriculture and Food has prepared.

"Your action shows that you are ignoring your responsibility to food needs. We need a provincial food land policy; not just some guidelines. Your action falls far short of the needs of the agricultural community. Agriculture needs an agricultural zone defined as one in which anything that is normal agriculture or that is normally required to support the agricultural industry be accepted, and one in which all other uses be defined as non-conforming. This is the most basic problem. There is no planning for rural agricultural communities. There is only planning for urban industrial, commercial developments.

"We request that a public inquiry be held by a body such as the Ontario Municipal Board into the lack of planning for agriculture in the regional municipality of Niagara. We believe that leaving the official plan of the regional municipality to Niagara as it now stands will be irresponsible on your part."

This letter was written to the Premier.

Hon. W. Newman: What date was that letter?

Mr. Riddell: March 28, 1977. I'm sure the Premier sent a copy of the letter across your desk. I'm just wondering what your reaction to it is. Donald MacDonald has indicated that the OIA has come out with strong recommendations, ROMA has come out with strong recommendations, the Ontario Federation of Agriculture has come out with strong recommendations, all of which you haven't really taken into consideration. Now the Christian Farmers' Federation is down your back because you really haven't done anything, to its way of thinking, to preserve agricultural land in Ontario. Just what is your reaction to this?

Hon. W. Newman: My reaction is that I have a lot of respect for the Christian Farmers' Federation. I always have. I've met with them on many occasions.

I'd first like to say I respect them, but in this case I don't agree with what they are saying. I've been through it three or four times. I'll go through it again, if you wish. You heard what I said to Mr. MacDonald; I believe you were here.

We have the Planning Act, which is law now. We have the food land guidelines, which will become official government policy with some revisions because of the comments that have been sent into us. By the way, I don't think we've heard from either one of your parties on your official position on the guidelines. It will become government policy.

I can only give you example after example where we've applied the guidelines throughout the province and in many, many cases they have been turned down; official plans also have been turned back. Our food lands development branch people have been out to see the municipalities, the counties and the regions to help them plan for the future in their areas. We've had excellent co-operation with them. We are actually working under the guidelines even though they have not been declared as official government policy as yet. We're actually working under those guidelines at this time.

The Christian Farmers' Federation has said that we should have saved the whole 7,000 acres.

Mr. MacDonald: Hear, hear.

Hon. W. Newman: I'll get into that. I've asked you to look at the matter and so on.

I think we, as the government, made a very firm stand on it, as we have in Stoney Creek and other areas. And, by the way, I think the Planning Act is under revision by Comay at the present time. We have the

Planning Act which is law and we have the authority here on all the official plans.

But it must be working because I'm getting an awful lot of letters from a lot of people. But there's also a lot of pressure from people saying: "You shouldn't stop this because of agriculture uses." So the guidelines must be working.

Mr. McKessock: Does that mean they're working or they're not working?

Hon. W. Newman: It means they are working. I caught your note of sarcasm there.

Mr. Riddell: I'm not going to pursue it any further. I've just got a feeling that 10 years from now we'll be talking along the same lines and in the meantime we'll have lost quite a bit more agricultural land. Unless, of course, there's a change in government and then some action will be taken.

Mr. Lane: That must be a bad dream.

Mr. MacDonald: The Liberals would be even more than you.

Mr. Riddell: I have a feeling that you might find that out come the next election.

Hon. W. Newman: Would you like to go back to see what you said when the guidelines were released?

Mr. Riddell: Okay. In responding to some of my colleague's comments, you made reference to the farm tax reduction program. I'm wondering if a parcel of land that has been in large part reforested under your reforestation scheme under the Ministry of Agriculture and Food—

Hon. W. Newman: That's the Ministry of Natural Resources.

Mr. Riddell: —and if this parcel of land were assessed as a farm, would it be eligible for the farm tax rebate?

Hon. W. Newman: If the land has been reforested?

Mr. Riddell: Let me give you an example: I received a letter from a constituent and she indicates that each year she receives a farm tax reduction application. I'm going to give you the roll number, hoping that one of your ministry officials will follow this up, because I've been given some conflicting information on this. The roll number is 4024006000140098. Have you got that? She said that 70 of the 80 acres which constitute this property assessed as a farm has been reforested under what she calls the Huron county reforestation scheme. I think this is where one of your people comes in to a woodlot and perhaps designates which trees should be taken down and they actually plant.

Hon. W. Newman: That's under Natural Resources.

Mr. Riddell: All right. The remaining 10 acres are in hay crops, the proceeds of which pay the taxes and buy a few fence repairs. As there is no profit or income from this property, it would seem that a tax reduction of some sorts should be instituted for such acreages as this.

I followed this up by contacting one of your ministry officials. He told me that the 88 acres of land which this person referred to is eligible for a farm tax rebate and that she should have received it by now. He also told me that the rebate had been sent to her as of October 19.

I get a letter back from her thanking me for my reply and she said: "After receiving the application for farm tax reduction in 1973, I realized that I could not sign this application because the farm did not produce the required \$2,000 in produce." This is questionable because maybe there are \$2,000 of logs on that place. "The Treasury ministry advised me to forward the application with a covering letter explaining the situation. This I did in a letter dated December 18, 1973. No rebate was received. You stated in your letter that you understood a rebate had been forwarded on October 19. I am wondering from whom you received this information, because I received no rebate ever, and cannot sign an application for one. My question was, and still is, why are properties assessed as farms, producing no profit because of reforestation, not entitled to tax rebates?"

I am surprised that there are not, because I know that there are some farmers—not full-time farmers, but some school teachers—living on 25 acres of land and they produce some vegetables on that land, mainly for their own use. They can prove that they have probably produced \$2,000 of food from that land and they are getting the farm tax rebate. However, this person who has 80 acres of land and has reforested it, probably because she is interested in stopping erosion and preserving our good land, says she is not entitled to the rebate. Is there any reason why she should not be?

Mr. Wildman: Isn't there a managed forest rebate?

Hon. W. Newman: The way I understand it is that the property must have the potential on managed forest lands of an annual value of \$2,000—you can't plant trees this year and harvest them next year; so they say "potential". I don't know if the particular farm has that potential but if it does, I believe it would qualify. But I would like to look into

that particular one and get the details back to you.

Mr. Riddell: I was told she was eligible by whomever I was talking to on the matter, and that person said, as a matter of fact, the rebate had gone out to her as of October 19. She wrote back and said she had never received the rebate and had been told that she is not eligible because her farm is all in trees. I would appreciate it if you would look into this.

Hon. W. Newman: Would you do me a favour? I am sure you don't want to have the name on the record here, but would you also give us the name?

Mr. Riddell: Darn right.

Hon. W. Newman: Sometimes it's a case of people not filling out the form. If you don't fill out the form, you don't get it.

Mr. Riddell: As I understand it, she has made application, but has been denied the rebate.

In connection with crop insurance, I want to come back to the white bean industry. Because the Board of Grain Commissioners—and I trust it was this body—changed the rules of the game, farmers were compelled to go in and market those beans, whereas in former years they probably would have ploughed them under. I don't think the beans that were left were going to make other than feed-quality beans.

But somebody changed the rules of the game. The crop insurance agent went around and said, "I am sorry. Your beans are still there. Even though they are standing in mud, you have got to get in and harvest those beans." So they went in, mucked around and finally got their beans off. I had a sample of the beans here the first day—I should have brought it back—but they ended up being about a 50 per cent pick. If they were to go through the electric eye, I would say they would end up being a 50 per cent pick. They were only given a four per cent pick when they went to the elevator.

I don't know what is going to become of these beans when the elevators start emptying out their silos in the spring. I am sure that Great Britain will not take them, because they contracted for number one beans and these are fours, fives, sixes or sevens, however low the scale may go.

Hon. W. Newman: Are some of them ones, twos and threes too?

Mr. Riddell: Oh, yes. But the farmers were compelled to harvest these beans and they received a payment in the neighbourhood of \$7 a hundredweight. Most of them had

op insurance, whereby they would have received a payment of \$15 a hundredweight. Let's say we can't yet find a market for those beans and therefore the farmer is going to be left with no payment other than that initial payment of \$7 a hundredweight. Let's say he perhaps receives another payment amounting to \$3 a hundredweight.

He would have been able, under the crop insurance program, to collect the \$15 a hundredweight and plough those beans down, which he would have liked to have done rather than completely ruin expensive equipment such as the bean windrowers and the combine. I am sure many farmers are going to have to go out and replace that equipment with new equipment. You would know that if you went out and saw how they had to harvest those beans, with the pickups churning up mud and bringing the beans up with

Mr. MacDonald: It looked like a ploughing match.

Mr. Riddell: Absolutely. What I'd like to know is whether the crop insurance program prepared to pay the difference between what the farmer receives for his beans and what he would have received had he been able to collect the crop insurance? What is crop insurance for if it is not for a year like this, a disastrous year where we had all that rain, beans sitting in water, sitting in mud and farmers not able to get into the field to market the beans?

They should have been switching the bean machine over to the corn header to get at their corn but, no, the crop insurance agent said: "They lowered the standards on these beans. You've got to get in and harvest those beans boys, otherwise you won't collect a thing." So they left the pickups on the combine and the corn was left standing in the field. They would have dearly loved to have been able to get to that corn and pick it. It's just a godsend that we had those two weeks of good weather—

Mr. Lane: We arranged it.

Mr. Riddell: —or the farmers would have been wiped out even from the standpoint of corn. But because the rules of the game were changed, the farmers had to get in and harvest those beans and maybe they'll end up with something like \$10 a hundredweight whereas crop insurance would have paid them \$15 a hundredweight. I'm wondering if crop insurance are prepared to make up the difference, assuming that the farmer is not going to be able to collect from the beans at he harvested the \$15 a hundredweight more?

Hon. W. Newman: Let me just explain one or two things, then I'm going to turn it over to Henry Ediger, the chairman of the Crop Insurance Commission. It's a very complicated formula.

What I would like to point out is that I personally talked to the crop insurance people. Knowing the commitments that had been made for the overseas market, and having been told that some of the top beans—those that were still on the ground—were still marketable ones, twos and threes, knowing the forward contracts that had been made overseas and worrying about the future of the export market of beans, I said: "Do everything you can to encourage the farmers to harvest those beans."

Mr. MacDonald: It was you who changed the rules of the game.

Hon. W. Newman: Maybe partially. What I'm trying to say is that we want to get as many beans off as we can. I can see the problem that we're faced with today and you know the problem. I see those problems. We should get as many beans off as we possibly can. I don't think that we actually changed the grades, did we? We didn't have anything to do with changing the grades.

Mr. Riddell: But you will admit that they were changed?

Hon. W. Newman: Not by us.

Mr. Riddell: No, but they were changed.

Mr. McKessock: Who did it?

Mr. Riddell: But they were changed and I trust it was by the Board of Grain Commissioners, was it?

Hon. W. Newman: It was.

Mr. Riddell: All right. So that really changed the rules of the game from the standpoint of the crop insurance too.

Hon. W. Newman: We'll come back to crop insurance in a moment.

When I realized that the forward contracts had been made on beans, realizing the importance of the export market when 73 per cent of our beans are exported, and having talked to people from Ontario House in England and having had telexes from all over the world on the bean situation from people who had bought beans on forward contracting, realizing their concerns and not wanting to lose that market—it's all very well this year but we have to think of next year too—and the necessity of keeping goodwill as much as we could—I suggested that we should try to get as many beans off as possible. But it was the Board of Grain Commissioners who changed it. As far as the

insurance is concerned, I'm going to ask Henry Ediger to explain to you exactly how that was worked out, because it's a very complicated formula.

Mr. Chairman: Mr. Minister I'd like to remind the members that we have approximately one minute left, because the minister

wants to leave at 12:10. Perhaps we can resume the discussion tomorrow morning after the question period. If we start now we'll have to quit in a minute, so I suggest that we adjourn now until after the question period.

The committee adjourned at 12:09 p.m.

CONTENTS

Thursday, November 17, 1977

Agricultural Production Program	R-813
Adjournment	R-838

SPEAKERS IN THIS ISSUE

Gaunt, M. (Huron-Bruce L)

Havrot, E.; Chairman (Timiskaming PC)

Hennessy, M. (Fort William PC)

Lane, J. (Algoma-Manitoulin PC)

MacDonald, D. C. (York South NDP)

McKessock, R. (Grey L)

Newman, Hon. W.; Minister of Agriculture and Food (Durham-York PC)

Pope, A. (Cochrane South PC)

Riddell, J. (Huron-Middlesex L)

Wildman, B. (Algoma NDP)

Ministry of Agriculture and Food officials taking part:

R. G. Bennett, Deputy Minister

H. Ediger, General Manager, Crown Insurance Commission of Ontario

V. I. D. Spencer, Director, Food Land Development Branch



No. R-32

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Official Report (Hansard) Daily Edition

Resources Development Committee

Estimates, Ministry of Agriculture and Food



First Session, 31st Parliament

Friday, November 18, 1977

Speaker: Honourable John E. Stokes

Clerk: Roderick Lewis, Q.C.

CONTENTS

A list of the speakers taking part in the debates in this issue of Hansard appears, in alphabetical order, at the back of this issue.

Daily contents of proceedings also appears at the back of this issue. Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff. Phone 965-2159.

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LEGISLATURE OF ONTARIO

FRIDAY, NOVEMBER 18, 1977

The committee met at 11:20 a.m.

ESTIMATES, MINISTRY OF AGRICULTURE AND FOOD (continued)

On vote 1802, agricultural production program:

Mr. Chairman: I want to announce that Sam Cureatz will be substituting for Clarke Rollins. When we adjourned yesterday at noon under vote 1802, Mr. Riddell had the floor and was dealing with crop insurance and white beans. I think we were supposed to have one of the members of the ministry to explain the crop insurance on white beans.

Hon. W. Newman: Mr. Chairman, I said we would have Mr. Henry Ediger here, who is chairman of the Crop Insurance Commission, to explain it. It is a very complicated formula but I did say and made it very clear, that no one will suffer because he did harvest his beans but the formula is complicated on the crop insurance for beans.

Mr. Ediger: What we agreed to do is adjust the weight in accordance with the loss in money that the farmer would receive from beans that were graded down as a result of an insured peril. In this case, the best way to explain is with an example, because we don't know what the final price of a number one bean will be, nor what the final price of these beans will be. If a farmer this year would receive, say, 14 cents for number one beans, and these beans, these poor-quality beans, averaged say, seven cents, we would merely use the factor 0.5.

For example, if he shipped 1,000 pounds, we would multiply that by the factor 0.5 which would give us 500 pounds. So instead, if its guarantee was 1,000 pounds, instead of not being in a claim position he would have a claim of 500 pounds. We have three price options: nine, 12 and 15 cents. Whatever price option he had chosen we would pay him off at. If it happened to be nine cents, he would be paid nine times the 500, 12 times the 500 or 15 times the 500. It's merely adjusting the weight in order to compensate for loss in quality to a number one bean.

We already have in our regulations, prior to this year—this has been in effect for about

four years—a factor to compensate for pick, and this year pick is a real problem as well as the cost of removing the pick. It's the same sort of thing, it adjusts weights, only there is a different factor for every pick. We also have a factor for moisture—that again is a problem this year—we adjust the weight for the additional moisture. So there could be, and there probably will be, three factors used to make the adjustment for the losses that the farmer could suffer as a result of this bad weather.

Mr. Riddell: Thank you. I am sure all the farmers will be relieved that somebody is coming to their rescue. In the past, crop insurance has been used more or less for disastrous situations caused by the weather. If they made any attempt to harvest the crop at all it was very seldom that they received any money from crop insurance. I think this was certainly their concern and I want to thank you for the explanation.

One last thing. I mentioned in my opening comments that municipalities are requesting that a subsidy be paid for the maintenance of municipal drains. I'm sure you have received all kinds of resolutions, as I have, reading:

"Whereas drainage subsidies to the extent of \$3,749 million were paid by the province of Ontario to municipalities for the construction and repair of municipal drains in 1976; and whereas for effective drainage from tile drainage systems, adequate outlets are required, which normally discharge in the municipal drains; and whereas for drainage systems to function effectively, drain maintenance work is required; and whereas the select committee on land drainage recommended that maintenance work on municipal drains be eligible for a subsidy in order that adequate outfalls are provided at all times; and whereas with the exception of section 85; subclauses 2(a) and (b), and section 87, subsection 3, the 1975 Drainage Act was proclaimed in force as of April 1, 1976.

"Be it resolved that the township"—which ever one it was that sent in the resolution—"request that the Minister of Agriculture give consideration to the proclaiming of the outstanding sections and further that this resolution be circulated to all townships, counties

and regions in the province of Ontario for their support."

I have many of those resolutions and I heartily agree with their requests that the government consider subsidizing the maintenance of these municipal drains. I also maintain it is not necessary to bring an engineer on the job in order to indicate that such a drain requires cleaning or maintenance. If the township officials do not know by looking at the drain that it requires to be cleaned out, then there's something very wrong. Would you consider proclaiming those sections which have not been proclaimed whereby a subsidy would be forthcoming from the government for the maintenance of these drains?

Hon. W. Newman: Mr. Chairman, in answer to the member's question on proclaiming the rest of the Drainage Act, I too would like to see the rest of the Drainage Act proclaimed. Again it is a matter of where your dollars are going to work best for you in the ministry. To proclaim the other two parts of the Act that you are asking us to proclaim—allowing for half the salary of the supervisor or the person in charge, plus the other costs—the cost would be somewhere around \$3 million to \$4 million.

When we went over our budget for this year—you will see the total breakdown on the budget—we had to decide exactly where we would go and what we would do. We could have proclaimed it but we had to pick our priorities. Perhaps you feel they are wrong but we made them. That meant precluding that part of the Drainage Act. However, we are doing an in-depth analysis of it within the ministry now and have taken my concern forward regarding budgets for 1978-79.

I'm not going to promise you at this point in time that I'm going to proclaim those sections of the Act. I realize they are essential. With regard to an engineer for drainage projects—you're talking about routine maintenance—are you?

Mr. Riddell: Right.

Hon. W. Newman: I'm not sure that you need engineers, do you? You don't need a drainage superintendent who is appointed by the municipality, is he not, to conduct maintenance? I think what you are talking about is an engineer's report on a whole drainage installation.

Mr. Riddell: It is my understanding from listening to a brief that was presented by the Kent County Federation of Agriculture when we were down there, that you couldn't get the one-third grant from the government

unless the engineer had looked at the drain and indicated that it did require cleaning.

[11:30]

Hon. W. Newman: That is a good question. I can't answer it for you. Mr. Vern Spencer, head of our food land branch, looks after the drainage aspect of it.

Mr. Spencer: Under the present legislation you are correct. You must have an engineer view the site. He must prepare a report and it must be adopted by council, as you would adopt a report for a new construction. That is in order to get the grant.

The distinction is that you can do maintenance work without an engineer's report but, you are quite correct, you don't get a grant.

Mr. Riddell: Okay. This is the point they are trying to make. They feel they should be entitled to a grant—

Mr. Wildman: I have a similar situation.

Mr. Riddell: —and they can't see why they should have to pay an engineer.

Since I bought my farm I have had three municipal drains go through. Because I happen to be at the bottom end of the outlet I have been paying about half of the total assessment on those municipal drains, so I know what I am talking about.

I certainly can't see why an engineer would have to view the situation and submit a report indicating that the drains should be cleaned. Surely the municipal officials can do this and still be entitled to the grant when you consider that drainage is probably the most important part of putting land into production. Any of the professors at Guelph will tell you that long before you consider fertilizing at the maximum, you should be looking at drainage, and drainage is very important. I think the request being made by these townships is not unreasonable.

I am glad to hear the minister say that even though we are not going to get it this year there is a possibility we might next.

Hon. W. Newman: The other thing I would point out to you is that in order to get the grant, it would require an amendment to the present legislation to allow that to happen. I don't know what sort of amendment it would require but I'll have the legal staff look at it.

Mr. Riddell: If I were to introduce that amendment would you support it as a private member's bill?

Hon. W. Newman: I'd like to have a look at the way you introduced it.

Mr. Wildman: After he supported Sam Cureatz yesterday he will support anything.

Hon. W. Newman: If it is a reasonable bill I would be glad to look at it.

Mr. Wildman: There are no farms in Wawa, but there are a lot in central Algoma.

The first item I would like to deal with under vote 1802 is crop insurance relating to the hay program that was instituted this year. We had a situation over the past two years where there was very serious drought in the northwest. This year the opposite happened. Fortunately the ministry had instituted a crop insurance program which has helped a large number of farmers who did enroll. It has been very beneficial. In some cases, I think, it was more beneficial than it was originally intended. I know of occasions, and I am not going to mention figures where a farmer reaped most of his crop but because the insurance system is set up on the basis of hours of sunlight, temperature and daily measurements of rainfall rather than the actual crop harvested, he also received benefits from the insurance program—a very nice, very beneficial shot in the arm for those farmers.

Hon. W. Newman: In your riding?

Mr. Wildman: Yes, in my riding. But the thing that bothers me is, and I am a little concerned about it, is the aggressiveness of the ministry in promoting new programs, and this was a new program in our area this year.

I think you will agree it was a very complicated formula for determining how the hay crop insurance program would work; the measuring of the rainfall and everything. A large number of the producers in the area didn't really understand how it was going to work although it was publicized in the newsletter. Many of them looked at it and said, "I don't know if that is going to benefit me very much." They didn't really understand it. As a result, they didn't enroll.

Now they find they have not had good harvests because of the rain, and a lot of hay was left in the field. In some cases, if they got the hay off, they ran into problems with grain. So they are going to have to be buying grain. If they had been able to enroll in the program they might have got a payout that would have helped in their overall operation.

What is your feeling about how aggressively the ministry should be promoting these programs and encouraging farmers to enroll, especially if the ministry expects that there will be a payout and it would be beneficial for producers to enroll in a program?

Hon. W. Newman: If I recall correctly, were you at the meeting when I met with all the farmers up there?

Mr. Wildman: Yes.

Hon. W. Newman: So you were there, and you know exactly what happened as far as the new crop insurance program was concerned. They were concerned that the farmers in the area did not know enough about the program.

Mr. Wildman: Right, and you extended the deadline.

Hon. W. Newman: They asked for an extension of time so we would have a chance to explain it more. I granted that extension. I believe the extension was granted to May 31.

Mr. Wildman: That's right.

Hon. W. Newman: We said we would do an aggressive program of advertising the program, having meetings to explain to the farmers what it was all about. If you think maybe we were too aggressive, maybe we were.

Mr. Wildman: No, I don't think we were aggressive enough. I think after that meeting most of the fellows who were there understood the program and were very happy with the extension. It was put in the newsletter, and it was indicated that it was available, that the agent had been appointed, that anyone interested should contact him so he could explain it, and they could enroll.

But I am not aware of many further meetings being held to promote the program. I am wondering whether more meetings might have motivated a larger percentage of the farmers to enroll. As I said, with a few problems in some areas, generally it has been a very good program and helped the farmers who did enroll.

Hon. W. Newman: The only comment I would make is that insurance is not compulsory. It is free will and choice. In some areas they don't take it and in other areas they do.

I had a group in to see me the other day which had an extreme situation with hailstorms and extremely bad weather. Some farmers were insured and some were not. I think this being a new program, some of the farmers were probably a little reluctant to get into the program to start with.

Mr. Wildman: That's right.

Hon. W. Newman: Perhaps next year they will understand the program better, once it is fully established and they talk to their neighbours, because I believe in the north there will be a payout of over \$1 million this year—

Mr. Wildman: That's right. There is going to be a big payout.

Hon. W. Newman: I think a lot of them will take a closer look at it this winter when they have an opportunity to. Grant Mitchell is a good ag rep there, the farmers themselves are very capable people, and word will get around that this insurance is available. We always advertise it in the papers. We will be advertising that it is available. We have tried to do our best. Because of the situation we were faced with two years ago, a lot of farmers took out the insurance. It has been very helpful to them.

One more thing: There were some discrepancies in claims, maybe not in your particular area, but in the north generally, and they have been sorted out after meetings with our crop insurance people.

Mr. Wildman: From people who enrolled in the program, I haven't had complaints. I should point that out.

Hon. W. Newman: I have.

Mr. Wildman: If there were any hangups it might have been on the other side of the ledger. But that is pretty well the luck of the draw; some people were able to get their crop off in spite of the bad weather, and others were not able to.

Do you see any way of getting news out to people and getting them involved? Right now, as you probably know, for instance, in another area of the ministry's operations—in the veterinary services—we've got a problem in Algoma with—is this not under this vote? All right I'll leave that until later.

I'll bring up DHI, then, livestock. I would like to know exactly how this could happen. I had a complaint from a producer, a member of the Holstein-Friesian Association in my area. On two occasions he has sent in information to register a Holstein bull calf, to have the dam's records graded and so on, and the breed office has not received the information from the ministry office and the breeder has had to send in his original copy. I understand there are three copies to go out for the records, are there not? He has had to send his original copy to the breed office in order to have the pedigree set up. How could that happen? He said he could understand how it might happen once but it happened twice with him.

Hon. W. Newman: I can't give you the details until I know the individual case. Normally when you are registering a calf with the Holstein-Friesian Association, the pedigrees of the dam and the sire and all the necessary information have to be sent in. I used to keep registered shorthorns so I have some idea, but you say our ministry in this particular case did not comment on it?

Mr. Wildman: No, no. He got his original copy back and it was written on his original copy that there was a copy to go to the breed office and there was the one copy, I guess, kept in the ministry. We got his copy and I guess the ministry got theirs but the association didn't get theirs. He had to send in his copy to the association and then they took it and made a copy of it. Is that true?

Mr. McGill: Nothing has come to my attention on this.

Mr. Wildman: He said he could understand how it might happen once but he found it strange that it would happen twice.

Mr. McGill: Give us the details.

Mr. Wildman: I was just wondering if you have had any other complaints like that.

Hon. W. Newman: If you give us the details we will be glad to look into it.

Mr. Wildman: All right. I won't comment at length on the cow-calf program but I just want to say that the prices in Algoma this year were better—

Hon. W. Newman: Thank goodness.

Mr. Wildman:—than they have been in the past. As a matter of fact they were better at the Thessalon sale than they were in the other sales, and there is not going to be as big a payout, I suppose, under the program. I think the farmers were happy to see the prices going up and see the buyers at the sale and buying. I am just wondering if you are satisfied that the 51.5 cents is adequate to cover costs, or in cases of bad prices where we would have a lower price, is it just enough to keep the producer from going bankrupt?

[11:45]

Hon. W. Newman: There are two factors involved. We do do actual testing on, I think, 25 or 50 farms—I've forgotten exactly how many; 25 I'm told—and we do a calculation that would be in co-operation with the farmer on his actual costs of producing calves. Of course that can vary greatly from farm to farm, from as low this last year—and I may be out a cent or two—as 49 cents up to 80-some cents, so it depends on your cost of production. This formula is worked out based on cash costs. I'd like to make this very clear that it's not meant to make a profit. It's a stop-loss situation—perhaps a little better than a stop-loss situation—depending on the individual circumstances. And we feel this has been a great help to the cow-calf producers in the province.

I don't know what the average price is going to come out at by the middle of December but it looks like around 38 cents,

so there will be a payout this year. Some sales were better than others and we won't know until the monitoring is finished. As you know we're monitoring in various parts of the province right now.

Mr. Wildman: I see. When do you expect to have that?

Hon. W. Newman: Because the farmers usually work within the calendar year, we are trying to get this all sorted out and have our portion of the total payment out by the end of December.

We've asked the federal government, who are monitoring Canada-wide, if they would give us the price they are going to be paying before the end of December. We have announced 51.5 cents, but we don't know what price they are going to talk about, whether it's 45 cents or 50 cents or whatever it may be. It is important for us to know exactly what their average price will be. They were going to monitor to the end of December and we asked them to monitor to only the middle of December in order that we could get their figures. We need their figure in order to do our own calculations.

Hopefully we will get their figure, even if we get it on a confidential basis if they don't want to release it publicly. Then, we will be able to send our cheques out. Otherwise it will be a problem for us to hit it on the nose accurately.

Supposing their price, and I'm only guessing, is only 46 cents—a 10 to one average—and ours is 51.5. I gave an example here the other day—I believe I still have it here if you want to have a look at it—about a 100-cow herd. It shows the actual payout in Ontario if you had 100 cows—and the proportionate federal payout. These are only guesstimates because we don't know what the final figures are going to be. The federal payout to a farmer with 100 cows is about \$437 I believe. Under the provincial program you would receive somewhere over \$3,000.

Mr. McKessock: Why do you need their figures?

Hon. W. Newman: Because if they come up with a higher rate it makes the adjustment different. Right now, we are just guessing what their price will be.

Mr. McKessock: Are you not going to pay the same as you did other years?

Hon. W. Newman: Oh yes, we will be paying, but the federal government wants to pay its share.

Mr. McKessock: But you can go ahead and pay yours without their figures, because you can compensate later—

Hon. W. Newman: No we can't because the total situation will have to be computed out for the individual farmers. I have this example here, if you want me to go over it. I can give you the details.

Mr. McKessock: Yes. I'd like to know why you have to have their figures.

Mr. Chairman: Let's hold on here a minute.

Mr. McKessock: Sorry, Mr. Chairman, just a supplementary—

Mr. Wildman: I would be willing to have the minister answer that question, if he can.

Hon. W. Newman: Okay, if you would like to hold on, I've got it in this maze of papers here somewhere and I'll give you the examples that were set up.

Mr. Wildman: While you are looking for that I would like the ministry officials, if they could, to give me some indication of how many people there are on the other question I asked—how many people participated in the crop insurance program, in total, and in Algoma, in specific. If I can get that figure some time before the estimates are finished?

Hon. W. Newman: Okay. I'll try to be as brief as I can. I have a breakdown here and I've got quite a lengthy report. I would be glad to show it to anyone—it points out why we need the federal figures.

What the provincial average is and what the federal average is and what the federal government will be paying out at—we know what we are paying out at now—51.5—but we don't know what they are paying out right now. We don't know what the provincial average is at this point but we will have that by the middle of December. If we don't get the federal figure there's a difference between what our provincial average is and what the feds are going to pay. They pick up half of that cost based on their formula of 100 cows, which in effect they are paying on only 70 cows. So it gets very confusing for the farmers. It is chaotic. What I have tried to do when I explain it is put it in fairly simple language.

I am assuming that everybody who joined the Ontario program also enrolled in the federal program. This is one program for which the feds insisted on registration. Normally, when they pay out on their stabilization programs, you just file at the end of the year. But they had application forms out around the middle or end of June.

Mr. McKessock: But those who belonged to the provincial plan were automatically enrolled in the federal plan.

Hon. W. Newman: Oh yes. No problem there. But I am saying that for those who

didn't enroll in the provincial plan and who enrolled in the federal program, it would be somewhat different. But, by and large, I think that for those enrolled in the joint Ontario-federal program, the total federal payment would be \$493.77.

We have had to make some assumptions here. We are dealing with 450 lb. calves. We are assuming that a figure of around 46 cents will be announced by the feds—but we don't know. We have to assume that. But assuming that to be the figure, it would mean that the feds would pay \$493.77.

The gross figure for Ontario payment is \$5,163.75 based on 51.5 and on a 38 cent average. The farmer's premium at \$8 a cow is \$800; that would be deducted. And, of course, the federal payment which is \$493.77, would come off that, leaving a net Ontario payment of \$3,869.98 going out to the farmer. Now there are some variables that we have had to assume in calculating these figures.

Mr. McKessock: Are you saying that the farmer is going to receive two cheques: one from the provincial government and one from the federal government?

Hon. W. Newman: Yes. And I'll tell you why. I wish you could talk to your friends in Ottawa. We have suggested that it could be very confusing the way they are doing it. We would send out one cheque from the province and then we would bill Ottawa for their share of it at a later date.

Mr. Wildman: It is always a gamble for the farmer.

Hon. W. Newman: It would be a lot more practical. And we are quite prepared to put a letter in with the cheque saying, "This is how your cheque is broken down; so much from the province, so much from Ottawa." Anyway, it was decided in Ottawa that they wanted to send their own cheques out. It is a terrible duplication. It is a wicked cost of money, so far as I am concerned. But we want our cheques out by the end of December because the farmers go on a calendar year. Certainly we tried, and we tried very hard. But there is no way they would let us send out the total cheque, and then they would reimburse the province for their portion of it.

Mr. Gaunt: Perhaps they would send out the total cheque and bill the province.

Hon. W. Newman: Fine. Great. If they will put a letter in, I'd be glad to accept that. As long as they get the cheque out on time so that the farmers get it before the end of December. But at the rate they are going they won't get it until next fall.

Sorry Murray, you asked for that.

Mr. Wildman: I'd like to ask a general question that relates specifically to the north to find out what the relationship is between the Ministry of Agriculture and the new Ministry of Northern Affairs. For instance I have called MTC a couple of times about a road and they have said; "We have made recommendation to the Ministry of Northern Affairs and we are waiting to find out what they are going to say." So I am just wondering what is happening with your various programs as they serve northern farmers in relation to the Ministry of Northern Affairs?

I was told the other day that in relation to unorganized communities and unorganized townships, that MNA is now in charge of certain programs. I am wondering what is happening with organized municipalities, and with the farm programs in general in the north as they relate to the operations of the new ministry that is to handle northern problems.

Hon. W. Newman: We have had meeting with the Ministry of Northern Affairs, and have met with the minister. You will find in his estimates this year that there will be certain items that are deleted from ours, and will be going into his. What we are doing this year in the transitional period, because, and no disrespect to the Minister of Northern Affairs (Mr. Bernier)—we have the expertise to administer the program.

We are administering the program but the funding is coming from the Ministry of Northern Affairs, which will eventually be administering the program itself. The Northern Ontario Development Fund of \$455,000 is in his budget, and the tile drainage for the unorganized districts of \$100,000 are in his budget. That is why we are still administering it at this point in time. But it is under his vote. We are co-ordinating with him.

Mr. Wildman: Do you get very many applications for tile drainage in unorganized municipalities? I am talking proportionately. Do you have any idea how much? Is it a program that is being used very greatly by the farmers in the unorganized communities?

Hon. W. Newman: No. Even in northern Ontario, the program has not been used extensively.

Mr. Wildman: I know, not even in the municipalities.

Hon. W. Newman: That's right. There's some work being done with it. I think, if I remember correctly—and I stand to be corrected by my staff—last summer we helped get a machine into northern Ontario to do some work to try to show them what it

drainage can do because they have a short growing season. Tile drainage is supposed to shorten up the growing process by how many days, Jack? If you have tile drainage or good under drainage your actual growing season for your crop is shorter to maturity. It is going to take a little while for them to accept this. It is very much like eastern Ontario ten years ago; now eastern Ontario is really getting into the drainage business.

Mr. Wildman: As you probably recall, I had some correspondence with you recently because a local farmer in my riding bought equipment to tile drain his own farms, and then he had some requests from other farmers in the area to come and tile drain their farms. So I contacted you regarding how he would go about getting a licence.

Hon. W. Newman: Right, and I wrote you back.

Mr. Wildman: And I got your reply and I thank you for that.

You indicated that the course would be in December and January. How long is the course?

Hon. W. Newman: It is a one-week course. The whole idea is that we want to make sure the operators who are operating those machines know how to lay those tiles, how to get the right grade on them so that they are not running up and down.

Mr. Wildman: I think if you get a local man in there who has the licence and the expertise, you are going to have an easier time, certainly in my area, of getting the program on stream; and hopefully more people will take advantage of it.

Hon. W. Newman: I think this is great, and I encourage drainage wherever we can, within the limitations of the funds we have. You said in a CP report that the north didn't have the potential that I think it has, but that is all right. I think it is a good step forward. So if that farmer takes the course, I think that would be great for the area.

Mr. Wildman: That was just picked up off the estimates, Mr. Minister; that wasn't a release I made.

Hon. W. Newman: By the way, you asked how many were insured in Algoma. There are 59 policies in Algoma.

Mr. Wildman: So maybe about one-tenth of the producers are involved?

Hon. W. Newman: I can't tell you the total number of producers in the area off hand. But I am sure those 59 will spread the word.

Mr. Wildman: I know other people have questions to ask, but I ran into a problem

just recently in relation to the Ministry of Revenue, and I wonder what input you have to the Ministry of Revenue in regard to sales tax exemptions as they relate to food production. I know that, generally, equipment used in the production of food is exempt.

I just had a recent question from a producer in my area who bought some grain bins in North Bay and was informed that they were not exempt. I wrote to the Minister of Revenue about it and was informed by her that if they were permanently fixed in buildings then they were considered real property, and therefore they were not exempt. But if they were on skids they would be exempt.

I contacted the farmer and he said; "They are not on skids and they are big bins"—

Hon. W. Newman: Are you talking about metal bins?

[12:00]

Mr. Wildman: —"but they are bolted down with four bolts, and all you have to do is undo the bolts and you can move them if you have to." I didn't know whether he should move them around every so often so he could be exempt, I am wondering what could be done. After all, these things are used in the production of food and they are containers. Just because they are a little larger than other containers, why aren't grain bins or bulk feed bins or even silos exempt from sales tax?

Hon. W. Newman: First and foremost, if the studhead took any more than four bolts to hold it down, he's got problems because I know I have one myself and it would need more than four bolts in it. Secondly, this is a grey area because the metal that is used for those grain storage bins is used for many other purposes too. I have had considerable correspondence with the Minister of Revenue (Mrs. Scrivener) on this and we are still working on it. It's a matter of trying to decide that if farmer A is using it for one purpose and if somebody else is using it for another purpose. A lot of people do use those for other purposes.

Mr. Wildman: If we have grain bins and feed storage facilities and silos that are being used for the production of food, since our aim is to keep down the cost of food to make it more attractive to the consumer for our own producers, I would hope we would do whatever we can to lower the cost. I hope there could be something done.

Hon. W. Newman: I can assure you I have

been consulting with the Minister of Revenue on this for quite a while.

Mr. Riddell: Does the member know that there is assistance from the federal government in the construction of storage?

Mr. Wildman: This is not construction in a sense. He bought these and he has just incorporated them. I don't know whether that would qualify under the federal program.

Hon. W. Newman: Oh, yes. Do you want me to comment on the federal program, Mr. Chairman?

Mr. Chairman: Go on, if you want.

Hon. W. Newman: I think it's a great program and no buts about it. The feed freight assistance program of the government of Canada for bringing grains from western Canada was discontinued when it was figured out that it would amount, over a period of five years, to about \$15 million. After a great deal of deliberations with Ottawa, they finally consented to giving us that \$15 million for this sort of a project at the rate of \$3 million a year for five years. I commend them for it. It was like pulling teeth as it is in any other government. They did do it and I give them credit for it. They pay up to one-third of the cost, up to \$1,500, for grain storage.

Mr. Wildman: I just have one other short question. I mentioned veterinary before and I was told that's not under this vote.

Mr. Chairman: You can go ahead under that one, Mr. Wildman. I checked it out here and it is in this vote.

Mr. Wildman: Yes. That's what I thought.

Hon. W. Newman: Mr. Chairman, I have been told that the veterinary part of it in northern Ontario could come under this vote.

Mr. Riddell: You guys get all the concessions in the north.

Mr. Wildman: This does not relate directly to farmers. It relates to a problem with Hornepayne which used to have farms at one time around the railroad there but there aren't any there now. I understand you have a man on staff in Kapuskasing. I wrote to you a couple of years ago about this. I had correspondence with you regarding the fact that there is no veterinary services in Hornepayne which is quite an isolated community. I suggested that perhaps the man you have on staff in Kap could go into Hornepayne on a regular basis to deal with whatever rabies problems and so on that might be in that community, and you acceded to that.

I understand that gentleman made one visit to Hornepayne and I guess inoculated pets and dealt with whatever problems there

were there. Since that time, he hasn't been back. I am just wondering what is the reason for that. One of the two medical doctors in Hornepayne is having to minister to animal problems in order to avoid situations where animals might contact a disease that could affect children and so on. He's had some difficulty in obtaining vaccine from the Humane Society in order for him to carry on this work and, frankly, he doesn't really want to carry it on. It's not what he should be doing.

Is there any way that you can make arrangements to get more regular veterinary service into a community like Hornepayne, so we could make sure that human as well as animal health is protected in an isolated community?

Hon. W. Newman: May I just comment to you that we do have a problem now that Dr. Proulx who was there, an excellent man, has just resigned to take on a fairly senior job with the federal health of animals branch.

Mr. Riddell: Wise man.

Hon. W. Newman: As we get them trained they come along and steal them from us. But we are appointing another man.

Mr. MacDonald: I bet they refused to give him the vaccine because he is overqualified.

Hon. W. Newman: No, no.

I can't make the writing out here. Oh, yes, there's been an arrangement made to send the vaccine to Dr. Skinner.

Mr. Wildman: He was one of the medical doctors I was talking about. And that is useful, it is helpful, but frankly, I don't think Dr. Skinner really enjoys the job of looking after the animals. He's a medical doctor. His profession is to look after humans and he would prefer to have a vet in the area.

Mr. Lane: Does he look after MPPs too?

Mr. Wildman: I don't know. I'm not sure what he would inoculate me with.

Hon. W. Newman: That shows you how innovative we are, to have a medical doctor to do it.

Mr. Wildman: He was doing it on his own prior to my correspondence with you. I think you have assisted in getting him the vaccine since, but it still is not the ideal situation. I don't think we'll ever have the ideal situation, which we would have with regular veterinary service. I would hope that something could be done from your Kapuskasing office, or maybe you could be making some arrangement with a private veterinarian. I know veterinarians from the Sault travel to

Wawa now on a regular basis under private practice.

Is there some way that the ministry could facilitate getting a private veterinarian from a larger centre to a place like Hornepayne on a regular basis, maybe pay his expenses or something to deal with his travel expenses so that we could have adequate service in a small, isolated community like Hornepayne?

Hon. W. Newman: We have a veterinary assistance program in various parts of the province. I'm sure you are well aware of that. The full-time man in Kapuskasing will be replaced as soon as possible. One of the problems we have is that it is desirable in that area to have someone who is bilingual.

Mr. Wildman: It is.

Hon. W. Newman: This is the situation—you just can't get any vet to go out because there are a lot of French-speaking people in that area. It is advisable to get someone who is bilingual if it's humanly possible, and you know that's not the easiest thing in the world to do. We would be prepared to work out with Hornepayne some way of vaccinating the pets for rabies or distemper. We would be glad to try and work something out in that vein right now.

Mr. Wildman: Good. Thank you.

Mr. Riddell: If you are going to adopt the Botterell report, you'd better have enough pharmacies established in Hornepayne.

Hon. W. Newman: Now I've said very loudly and clearly that farmers know how to handle just about any antibiotics and they should be allowed to handle them.

Mr. Riddell: Good, you stick right to that.

Mr. Wildman: Can I raise the question of blackleg in Algoma here, or will it be better under a different vote?

Hon. W. Newman: Foot rot or blackleg, is that what you are talking about? I don't know whether it would come under this vote or not. Someone will have to tell me that.

Mr. Wildman: We've had another outbreak this year and one producer had a serious loss, about 20 head. It's been dormant in the area for a number of years.

Hon. W. Newman: He lost 20 head?

Mr. Wildman: I understand that is correct. Others, too, have lost one or two or three, but that was the first outbreak in a while. It's been dormant in the area for a long time, as I said. I suppose the change in the weather, with the sudden increase in rainfall, has helped to increase the incidence of it this year and has helped it to reappear.

After the first appearance of it in two or

three areas there was a sudden rush to the local veterinarians to have the herds inoculated. There was a shortage of vaccine. The two veterinarians in the area ordered as much as they could. It came in finally. I think most of the inoculation has taken place. It's inexpensive to inoculate.

When we know that it is a danger in the area—the veterinarians know it, the veterinary committee knows it; I have talked to them, they have said they have had some difficulty in getting people to vaccinate—I am just wondering why we aren't, as I said earlier, aggressively going out to farmers and saying: "There is a problem here. Although it hasn't been around for a couple of years, it could reappear at any time with the right circumstances. There is no cure for it. It doesn't cost very much to inoculate to prevent the situation."

Why aren't you going out and really pushing this program to get the farmers to inoculate their herds so they are not caught in a situation of having to sit and wait and watch their cattle for maybe a week, hoping that they don't get the disease, or hoping it doesn't appear in their herd until the vet can get the vaccine when he has a tremendous rush on? Why isn't it a regular thing? Why aren't we trying to get it done on a regular annual basis to deal with this problem in a preventive sense instead of a reactive sense?

Hon. W. Newman: You have brought up two or three things as far as blackleg is concerned. As you have said, there is a good vaccine, and it's cheap. It can be bought from a veterinarian. The farmer can vaccinate his herd himself. The animals should be under two years of age, and it should be done on an annual basis.

We have issued releases on blackleg. Maybe it would be very helpful to publicize it in your weekly column. I am not being facetious when I say this. I assume you do a weekly column; you might mention it because we can't tell the news media or anybody else to publish our material, although we periodically mail out some releases and our bulletins about it too.

It is just like everything else; for instance, our food land promotional program they are into now. We are trying to give it a high visibility so the consumer will become aware of it. I guess the same thing could be true there. We need the co-operation of everyone.

I don't know what else to do. You have vaccine. It is cheap. It is easy to administer. You get away from the problem. You don't lose your cattle. If you vaccinate cattle under two years of age each year, it doesn't take long to do it.

We have put out releases on it. I don't know what else you could suggest we do. You can't go to each farmer and say—

Mr. Wildman: I agree with you to an extent. But the point is we had a lot of action. The releases went out when it first appeared which said: "Look, it's a problem in these areas, it could be in other areas. You had better get the inoculation program under way." The farmers did react to it. Maybe I am wrong, but I don't recall in the last two years having seen any notification advising the farmers about blackleg, because it just wasn't around. But the fact is it was dormant and it could appear at any time.

I will take your advice. I'll put out a release suggesting that it should be done next year, even if it isn't a problem in the immediate sense. I would just like to see the ministry going out and saying to the farmer: "It may not be a problem right now, but it could be. We would like to see you get the vaccine and inoculate your herd for your own protection and for the protection of your neighbours." I think it would be useful because of the number of bears, dogs and wolves running around. It spreads very easily.

Hon. W. Newman: The organism stays in the soil for years and all of a sudden it breaks out. Normally we rely to a great deal on, and we do have excellent co-operation from, the vets in the area. If a problem arises they normally advise us and advise the farmers very efficiently and quite quickly, and we try to react on it at that point in time.

I could tell a farmer: "You should vaccinate this year." But if nobody else has blackleg next year, he'll say: "Oh, well, I may get away with it this year."

Mr. Wildman: It only costs about \$7 for a whole herd.

Hon. W. Newman: I know it doesn't cost very much. But I happen to have been a farmer. If I have got away with it one year, I maybe didn't do it the next year; I may get bitten now and again. I think we have all gone through that experience. Anybody who has had any livestock has.

We just point out the problems. We point out how easy it is to deal with it and we try to put out releases on it, and we work with the vets in the area.

Mr. Chairman: Vote 1802 carried?

Mr. Gaunt: No, Mr. Chairman.

Mr. MacDonald: He just wanted to see whether you were awake or not.

Mr. Gaunt: Yes, I'm awake, thanks.

I have a number of tag ends I want to

talk about for a moment. First of all perhaps I could start off with the drainage program and the \$20 million.

I want to say at the outset that I have received the utmost in co-operation from the food land development branch. The people there are most helpful. I have talked to these people on numerous occasions about some of the drainage problems we have in our part of the country. As in all other parts of the country, most of the problems are revolved around the matter of money; everybody wants more money. We have had some difficulties in trying to match the dollars and the applications.

[12:15]

I know there was a reallocation in September and I understand there is going to be another one at the end of November. I think that is a good procedure and I just wanted to commend the ministry for that. As the money is limited—\$20 million is a lot of money but I suppose if you had \$40 million you could utilize it more effectively in the program—there are always more demands than there is money.

Because we have had a lot of wet weather this year much of the work that was intended to proceed during the summer has not proceeded. I think it is important to reallocate that money to municipalities that don't have enough to meet their obligations. The applications and the amount under those applications far exceed the allocation they have been given.

I want to underline and to support what the ministry is doing. I think it is important that that \$20 million be utilized fully in a way where you are getting it to the municipalities that need it, and where the work has been done. Having made that point I hope that one of our municipalities in particular receives some extra money at the end of November.

Hon. W. Newman: We moved the whole program a bit ahead this year so we could get a better reading earlier. It has been difficult, because of the wet weather.

On the reallocation, I can't tell you which township has made a request, or what they will be getting. A lot of it has been worked out already. If you want to give us the name of a township—

Mr. Gaunt: Turnberry township is the one. I have talked to Mr. Johnston about it, and we have negotiated on it.

Hon. W. Newman: One of the things I would like to point out is that this year, because of the extremely wet weather, no one will be penalized in next year's allocation.

tion, for not spending their money. I think that is important, because some municipalities were hit harder than others.

Mr. Gaunt: That is the other side of the problem. I am glad to hear that. This was the case with Turnberry. They didn't use their full allocation last year, so they were penalized this year.

Hon. W. Newman: Last year was a fairly normal year. It is always difficult because somebody may go ahead with the work hoping they are going to get the money, while others may hold back, waiting to be sure. It is not easy to keep on top. I can assure you that applications coming in from municipalities will be considered right down to the last minute. Any money left over will be reallocated. We will use all the money.

Government gets criticized for sometimes spending so much money in March. As far as tile drainage is concerned, if we have any money left, our payouts could run very high in March because of a reallocation of funds. There is a fairly heavy payout in March and people think we are trying to use up our budget so we will be all right for next year. This is not the case.

Could I just make one more comment on this? We rely a great deal on the clerks to get the information in to us to let us know when and how much and we are having trouble getting information efficiently and quickly from some of the municipalities in the province. This does create problems for us with respect to reallocation.

If you are talking to any of your clerks, please tell them to get it in quickly. The sooner we get them in, the sooner we get re-allocated.

Mr. Gaunt: I'll deliver Turnberry's information by hand. I can assure you that you will get it on time.

I have a question about the farm stabilization program. Does only dry shelled corn come under the program, as it applies to corn?

Hon. W. Newman: No. It's based on dry wheat, 15.5 per cent moisture.

The federal program is different to our program. We were able in this case to come to agreement with Ottawa where they will allow farm to farm sales. This is a big item because it saves jamming up the elevators and they would have been jammed up had it been a normal fall. Some of them were away when they had that good weather two or three weeks ago.

Mr. Gaunt: My point really is that ensilage corn does not qualify under this program. A

number of farmers have asked me why ensilage corn is not included under this program. I think I understand why, but would the minister be good enough to put it on the record so that I can send it back home?

Hon. W. Newman: Grain corn is covered under our program and under the federal program, which is a named commodity. In the case of ensilage, many dairy farmers have put in ensilage to feed their dairy cattle and they're using it to get their remuneration on a formula price in milk. Therefore, we don't feel it should be covered that way.

As far as beef farmers and the feed lot operators are concerned, I refer to my own example. It's probably as good an example as any. One year I decided not to put any cattle in the feed lot and to take all my corn off as grain corn—this is long before the stabilization program came in.

I guess what I'm trying to tell you is that the beef man has that right of choice. If he wants to feed beef cattle or other livestock and thinks he can get more money out of feeding ensilage than picking it for grain corn, that's his prerogative. In the dairy industry, of course, silage or haylage is a very important component. We are only talking about grain corn at this point in time. Is that how you understood it?

Mr. Gaunt: Yes, that's how I understood it. The point the beef men make is that they do not have a choice. If you have got a feed lot operation, a building that's capable of running 200, 300 or 400 steers, you are not going to leave it empty and grow grain corn or something else in order to fall under the farm stabilization program. You are going to feed your corn through your cattle. In practical terms, they really do not have the option, that is the point they make with me.

Hon. W. Newman: In many cases, you are quite right. Of course, we do have the cow-calf program in place. As we talk about the cow-calf program, if you are going to feed ensilage the end product, the calves, are covered by the stabilization program. You can say the same thing as far as beef is concerned; under the federal stabilization program the end product is covered by stabilization under Bill C-50.

This year again we have been able to harmonize the federal-provincial programs. The federal program did not include farm-to-farm sales. After a couple of trips to Ottawa—my staff went down to talk to their staff—we have what you might call a harmonized program.

I don't think you were here the other day, but we were talking about harmonization in the whole stabilization field. I feel very

strongly that, as I've said before and I'll say it again now that you are here, I believe we need a truly national stabilization program for all of Canada. We would be prepared to participate as a province and I'm sure the producers would be prepared to participate and we could work out an effective national program. I think all the provincial programs should be scrapped, I really do.

Mr. McKessock: Mr. Minister, on that point you mentioned that in the cow-calf stabilization plan they do have the option. They get paid the subsidy whether they sell them or whether they keep them.

Hon. W. Newman: That's right.

Mr. McKessock: This is the concern of the people who grow corn and feed it themselves. They don't have the same option that they do in the other part of the stabilization plan where the cow-calf plan comes in.

Hon. W. Newman: Are you talking about silage or grain corn?

Mr. McKessock: I'm talking mainly about grain corn.

Mr. Gaunt: Or silage—the same would apply.

Mr. McKessock: If their costs of production are the same as those who sell to their neighbour and get the subsidy, they feel that they should be entitled to that subsidy whether they sell to their neighbour or whether they keep it themselves and feed it themselves. The same as the cow-calf plan.

Hon. W. Newman: But the grain corn they are keeping on their own farm to feed to the steers or the dairy cows—really the end product that's coming out of there—

Mr. McKessock: Except that the cow-calf plan is worked that way. They can keep them or they can sell them. They still get the benefit of the plan.

Hon. W. Newman: That's right, and they can keep the corn or they can sell it.

Mr. McKessock: Yes, but they don't benefit if they keep it. In the cow-calf plan you do benefit if you keep it for the calves.

Hon. W. Newman: It's not paid out on the end product. That's really what you're saying.

Mr. McKessock: In the cow-calf program the farmer has the option of selling his calves or keeping them—

Hon. W. Newman: And I think that's great because under the plan you have to sell them and I think the farmer should be—

Mr. McKessock: I agree with you.

Hon. W. Newman: You think that cow-calf program is okay?

Mr. McKessock: That's right. But the thing is, the people who are feeding their corn say they should have the same option—they should get the benefit of the program whether they feed it or whether they sell it, the same as in the cow-calf plan.

Hon. W. Newman: Let's talk about corn. Maybe he wants to sell his corn to buy some grain. He's still got that option too. But the end product is that he's feeding his grain corn to pigs, sows, beef, dairy cows, whatever the end product may be—except for pork, it is a named commodity, although if it drops so low there is a stabilization factor there and a federal bill too. So that's a right of choice of the individual farmer.

This has come up at many of the farm meetings that I have been at. I spoke last Friday night to a federation meeting and I'm speaking tonight in the great county of Wellington.

Mr. Johnson: Excellent county.

Hon. W. Newman: This is something that does come up, and this is the answer that I give. We have to be practical. We have a farm stabilization commission which is composed of all farmers, except for one staff. It is the farmers who are making the decisions there. And there are representatives from the various farm organizations. There are six farmers on the commission, plus the chairman; right? So it's worked out by farmers.

The Ontario Grain Corn Council came to the stabilization board prior to the deadline and asked them to work out a program. It's the only program that's in for this year right now. I think there are some others as well, but I'm not sure whether we've had any other applications recently, but based on last year's figures and trying to project the price of corn for this year, which we won't know until next August, I guess. Projecting prices is a difficult thing to do at any time, but it looks like there will be a provincial payout this coming year; however it can't be done until the end of the fiscal corn year—July 31 is it?

Mr. Gaunt: Next year?

Hon. W. Newman: Sorry, August 31. And thus our estimates only show a dollar for this year, because that payout will actually come in the government's next fiscal year.

[12:30]

Mr. Gaunt: Now that Henry Ediger is up at the front I will ask a question about crop insurance. I know my friend from Huron-Middlesex asked about this, and made comments with respect to the crop insurance program as it applies to the bean crop. As you

know in our area, and I guess right across the province, this was the worst harvest in history for beans. My question really is what percentage of the farmers who were insured—I realize there was a good percentage who weren't insured—will be collecting under the program?

Hon. W. Newman: About 66 per cent were insured, but it depends. Some of them got their beans off in various areas, and there were different weather conditions in different areas. Some of them got theirs off early and got the necessary quality, and there won't be any payout on those. But it is a very complicated formula. Was Murray here when Jack got his figures?

Mr. Chairman: I think we went over that earlier.

Hon. W. Newman: It is a very complicated formula. But no bean farmer will suffer because he has harvested his crop.

Mr. Riddell: I think my secretary is in the process of typing it out right now. If you go back to the weekly papers, Murray, you can pick it up right away.

Mr. Gaunt: I will be glad to pick it up and put it in my weekly report too. That is good because I was concerned. I had some discussion earlier on, and there was a problem with respect to when a farmer could actually collect under the crop insurance program. There were some problems, I suppose, initiated by the board itself in their great desire to fulfill their overseas commitments. They lowered their standards and so on—

Hon. W. Newman: The Board of Grain Commissioners did that. I think it is important that we know that. I also am very proud of the farmers in the province of Ontario who did go out there and slug it out and get those beans off. I don't know what we can do with food aid, that is in TEIGA now. I'll have to talk to Mr. McKeough about that. I don't want to get involved in that.

They really got out there and they really mucked up a lot of their equipment getting it off, and they deserve a lot of credit. Our overseas market is 73 per cent of the crop and is very important, and we have ongoing negotiations right now. I have set up a special task force within my ministry to look at the total situation. They have been travelling in southwestern Ontario. They have been to London. They have talked to dealers, to the board, the co-op and others. There are serious problems, there is no doubt about it.

We don't want to get everybody stirred up on the whole situation and we try to do it—not secretly, although we met with the board

and dealers and asked them not to discuss our meeting abroad, and I understand it was in the dealers hands in California the next morning exactly what went on in our meeting in Michigan. That doesn't help our situation when these things happen, but it did. So the task force is still working on it and something is going to have to be done fairly soon. I realize you are getting into a critical situation. I don't really want to say what might not happen at this point in time because it might just automatically—if I said anything at all—put the price of beans up another \$20 per cwt.

Mr. Riddell: Just a point of clarification on the explanation given by Mr. Ediger. Does that factor vary depending on the price of the poor quality beans and the price that the number one beans ends up at? It's not a straight factor of point five?

Mr. Ediger: No, that was just an example. They may only discount beans by 50 cents per cwt, or they may not discount beans at all. Nobody knows yet. I doubt whether that will be the factor; I'm sure it will not be the factor.

Mr. Gaunt: The final point that I wanted to raise with the minister relates to the beef industry. We all know the difficult times they have had this past four years. The minister mentioned that a one cent increase in the fee under the cow-calf stabilization program equated actually to about \$1 million under the program?

Hon. W. Newman: Right; each cent the payout is above the average gives about a million dollars.

Mr. Gaunt: You raised your fee from \$5 to \$8 and you indicated that would not cover the cost of your additional pay out. Is that my understanding?

Hon. W. Newman: Correct.

Mr. Gaunt: What is the difference roughly?

Hon. W. Newman: We had it here the other day in Hansard. Take the number of cows, about 350,000, and multiply by the differential of \$3. The \$3-increase per cow will give approximately \$1 million and the payout will actually be \$1.5 million. Those are round figures. I think I gave the exact figures the other day in the estimates. I figured out here in front of me and I think I was close.

Mr. Gaunt: What has happened with respect to the consumption of beef in the last two or three years? Has there been a fairly constant increase in the consumption of beef? It was moving up gradually over the course of a number of years. I am trying to establish

what sort of effect the low price has had in the marketplace with respect to consumption?

Hon. W. Newman: I'm not exactly sure. I think it's around 108 to 110 pounds per capita now. That is slightly up from three years ago. I can't give you exact figures. If you would like the exact figures, we will get them for you. The per capita consumption this year is about 108 to 110 pounds which is fairly high if you look at other countries like Japan with three or four pounds per capita.

Mr. Gaunt: Has there been any concrete evidence that with the increase in beef consumption we are becoming more ferocious?

Hon. W. Newman: I'm told if you eat potatoes you counterbalance it.

Mr. Gaunt: Well I wondered if there had been any research done with respect to whether politicians increased their beef consumption just prior to an election.

Hon. W. Newman: I had better announce this morning that Stephen Lewis had quite a bit of beef last night.

Mr. Chairman: I think they took more of an intake of baloney.

Mr. Reed: Based on self-evidence.

Mr. Gaunt: I don't think I have any more comments on this vote. I do have some comments on 1804, the milk commission vote, and also 1805. I'll wait until we get to those votes. Would you permit an observation?

Hon. W. Newman: You are going to have to ask the Chairman that. It's up to him.

Mr. Chairman: Go ahead.

Mr. Gaunt: It seems to me, just looking around this room, there are more University of Guelph graduates in politics than I have ever seen. I think the University of Guelph rather than being an agricultural college is a political graduates school.

Mr. Chairman: It sounds like a lot of bull to me.

Mr. Gaunt: The minister is a graduate, the member for Halton-Burlington is a graduate, I'm a graduate, the member for Huron-Middlesex is a graduate.

Mr. MacDonald: You're underlining our problem.

Mr. Gaunt: I want you to know I became a Liberal at the University of Guelph and it was only on the insistence of Clare Rennie.

Mr. Chairman: No politics.

Mr. G. I. Miller: Now that we're on the subject, I'm never sure.

Mr. Gaunt: I don't want that to prejudice his position.

Mr. Chairman: Thank you, Mr. Gaunt, for the antics, et cetera.

Mr. McKessock: These are a few clean-up questions here. These topics have pretty well all been covered. To follow on what Mr. Gaunt had mentioned about the difference between the rise in the premium of the cow-calf and the cent and a half more that you are going to pay out, did you have a figure there as to what the difference is?

Hon. W. Newman: I'm sorry, I covered that yesterday or the day before. Keeping in mind the cow-calf plan, if you look at it carefully, you are supposed to be at a two-to-one basis but it worked out last year at about 14-to-one.

Mr. McKessock: This may have been asked before but why was the premium raised? What was the thought behind that?

Hon. W. Newman: Well, to try to become a little more self-sufficient in the program, for number one—

Mr. McKessock: Well you did pay out more by raising the three dollars.

Hon. W. Newman: What would you suggest that we left it at, 50 cents to five dollars?

Mr. McKessock: Well, did you say that to become more self-sufficient?

Hon. W. Newman: No, the program when it was first announced was to be based on a payout of two to one, and if you figure out the actual premium last year per cow, it would have been somewhere around \$35 a cow. So we didn't do that. And this year on a two-to-one basis, depending on the final price, it will probably work out to be somewhere around \$30 per cow, which is what the premium really should have been when the program was originally announced.

Mr. McKessock: But you are saying that you raised it three dollars and your payout is going to be more because you raised it to 51 and a half cents.

Hon. W. Newman: Right.

Mr. McKessock: I'm just asking, "Why did you raise the premium?"

Hon. W. Newman: Why did we raise the premium?

Mr. MacDonald: To increase the revenue?

Mr. McKessock: Well, it didn't. It decreased the revenue because they also increased the payout.

Hon. W. Newman: We also have to figure out what the actual costs are. We do actual tests during the year, and it came out to 51.5 cents this year instead of 50 cents. That's the

figure we came up with, which will mean an additional payout of \$1.5 billion. We were trying to recoup some of that.

Mr. McKessock: I see, if you had no payout, then you would have been dollars ahead.

Hon. W. Newman: That would suit me fine for a couple of years.

Mr. McKessock: All right, that brings up my next question. What happens if the farmers in the next two years don't enroll in the program?

Hon. W. Newman: If they drop out of the program next year, and want to come back in the next year, they have to pay the back premiums for the year before. That's to stop them from getting in and out—in a good year and in in a bad year.

Mr. McKessock: If they were to drop out of the provincial program next year, would they automatically apply to the federal program? Or once they have made application to the federal, are they in for good?

Hon. W. Newman: I think that would have to be a decision by Ottawa, because normally under the stabilization program you don't have to fill out any applications. You just keep the receipts for the end of the year for your cattle or whatever it is and send them in. But this year on the cow-calf program they insisted on the forms being filled out by the end of June. I think that was the deadline for the federal program. Whether they'll have to re-apply each year for the federal program, I don't know. Besides that, the federal government has only said they're doing it for this one year. That doesn't necessarily mean they'll do it next year. We're committed to a five-year program.

Mr. McKessock: I brought up in the House one day the question of deferring the junior farmer loan payments. I noticed it was recorded a little wrongly in Hansard. I asked if you were deferring the principal payments or whether it was going to be principal and interest.

In your statement you said you would be deferring the principal payments only—

Hon. W. Newman: Right.

Mr. McKessock: —which could be very insignificant, if it were only principal. If it were principal and interest, it could amount to something worthwhile. I think you intimated to me that you would consider both principal and interest.

Hon. W. Newman: I have not had a firm answer from Ottawa yet about what they're going to do about extending the Farm Credit Corporation. But I would point out to you

what we like to do if a farmer has a particular problem. We have an internal working committee within the ministry which will sit down with the individual, the agricultural representative or somebody will sit down with the individual and go over his whole operation with him.

For instance, it's the same thing as we did on the IMPIP loans, last year or two years ago. We worked it out on an individual basis with them. It's quite interesting to note that on the IMPIP, there were very few farmers, in the final analysis, who took advantage of the extended period of time that we allocated because of the seriousness of the milk situation in 1976.

[12:45]

This is the sort of situation where we have our farm specialists in financing who will sit down and help the individual farmer with his problems. They will sit down with him and try to help him work out a payment program. It would be very foolish to say to a farmer: "Sure, we will bail you out this year and next year," knowing full well he is heading down the road to a serious problem. If he is, then it's a matter of doing some consolidation with him. We try to work it out on an individual basis, because some farmers appreciate we have experts in the financial field in our ministry to try to help them work out their payments. Each situation is really a little different.

Mr. McKessock: You would be in a position, if it was a one-year or two-year problem, to defer the payments.

Hon. W. Newman: It's got to be a two-year problem; because if you release it this year you are talking about the end of the next year before he would be able to catch up when he gets his harvest in, or sells some of his milk or whatever it may be.

Mr. McKessock: As I was pointing out in a question in the House, on a \$5,000 payment, \$500 of it could be principal and \$4,500 could be interest. That's possible, because that's about what mine is.

Hon. W. Newman: Are you talking about farm credit?

Mr. McKessock: I'm talking about farm credit but it's an amortized mortgage.

Hon. W. Newman: I must say, and I'm not saying it unkindly, the Telex that I got back from Mr. Whelan did not indicate that he was going to extend farm credit to—

Mr. McKessock: No, but I am saying on an amortized mortgage it would be similar. In that case, you would have to defer the in-

terest also to make it worthwhile. Deferring the principal would not be of any help.

Hon. W. Newman: I don't want to use your individual case because I don't know your individual circumstances, but it might be to your advantage to sit down and work it out. I am sure you are capable of doing it on your own. As far as our loans are concerned, we do it on an individual basis. It may be that we could re-amortize the whole thing further down the road. It is possible we could do that and take the whole thing and amortize it over a longer period of time or something like that.

Mr. McKessock: Yes, that is fine. That sounds reasonable.

On the other point that was mentioned here earlier about the Tile Drainage Act, I would hope that you would not wait for a private member's bill to come in to change that Act to allow for municipalities to be able to get grants on the cleaning out of these drains without an engineer's report. Who pays for the engineer's report? Is it the municipality or your government?

Hon. W. Newman: The municipality pays for the engineer's report, but it is all worked out on a cost-sharing basis. We pay one-third.

Mr. McKessock: You pay one-third of the cost of that report as well as one-third of the cost of cleaning out of the drains?

Hon. W. Newman: On the total costs.

Mr. McKessock: One-third.

Hon. W. Newman: Keep in mind if you brought forward a private bill it might be a money bill.

Mr. McKessock: I would hope we would not have to wait for that.

Hon. W. Newman: Maybe you are not talking about it in the way Mr. Riddell was.

Mr. McKessock: The biggest saving here would be to the municipality. Actually, it would not cost the government any more money. If an engineer's report had to be done, it is going to cost both the government and the municipality more money. If an engineer's report doesn't have to be done, then it saves both the government and the municipality.

Hon. W. Newman: It would require an amendment to the Act to do that. That's all I'm pointing out and I said we would look at it.

Mr. G. I. Miller: I wonder if this is in the right grouping or not. As far as grants are concerned for storage facilities, is there any program with the exception of capital grants that applies?

Hon. W. Newman: Oh, yes. There is a program that is in place right now. I mentioned it earlier. Were you here when I talked about the feed freight assistance program and the money we got from Ottawa?

Mr. G. I. Miller: Where you give \$1,500 per farmer, is that it?

Hon. W. Newman: Yes.

Mr. G. I. Miller: That's through the feds. Is there a provincial program?

Hon. W. Newman: We are administering it for them. As a matter of courtesy, we like to help them out from time to time. Perhaps you heard what I said earlier. Look at Hansard. I won't go through that long spiel again. It is federal money, \$3 million a year for five years.

Mr. G. I. Miller: I think we are all well aware of the problems we have in storing our crop, particularly this year when we have had an exceptionally good wheat crop and an exceptionally good corn crop and they are coming on stream. Do you not think that there could be more assistance provided to provide better storage facilities?

Hon. W. Newman: The whole idea on the federal program was that they asked us to present a proposal to them, what we felt that \$15 million should go to. We set up a proposal which we sent to them covering on-farm grain storage. We also set up two or three other things within our proposal to them. After a lengthy discussion they agreed that the on-farm storage was probably the best program, and they're paying up to, I think, one-third of the cost, \$1500, for grain storage.

There's also, of course, the capital grants program which could be utilized if it hasn't already been utilized.

Mr. G. I. Miller: What about major storage areas such as under a co-op, or other companies? Is there any assistance there?

Hon. W. Newman: No.

Mr. G. I. Miller: Co-ops can't qualify for—

Hon. W. Newman: Apparently Mr. Whelan just announced a new program for that. I don't know too much about it.

Mr. G. I. Miller: Has the province provided any incentive for that?

Hon. W. Newman: I'm not sure of the program. Maybe Mr. Bennett who is director of our extension branch could explain the new federal program. I don't know that much about it. Maybe none of us know too much.

Mr. G. I. Miller: The reason I was bringing it to your attention is that it was brought to my attention through the Haldimand co-op.

I understand that they work through the Toronto co-op, the Ontario co-op. They're associated with that.

Hon. W. Newman: The United Co-op of Ontario?

Mr. G. I. Miller: Yes.

There is concern for need in that particular area for expanding their facilities. Perhaps it would have to go through the United Co-op of Ontario. I said I would look into it to see if there was any assistance available because I think there is a need, particularly in Haldimand county.

Hon. W. Newman: There is no provincial aid for that particular—

Mr. G. I. Miller: There is nothing.

Hon. W. Newman: Do you have a copy of these?

Mr. G. I. Miller: No, I don't know if I have, but I was going to point out that the feds are now building a terminal where—

Hon. W. Newman: Windsor?

Mr. G. I. Miller: Windsor. What stage is that at now? Is there any input from the province on that?

Hon. W. Newman: No. This has been one of Mr. Whelan's pet babies for many years and he finally was able to swing it through his own cabinet. It was announced and they're moving forward with major grain storage in the Windsor area.

Mr. G. I. Miller: There would be no intention of this provincial government providing something comparable? I'm thinking we have the Grand River there in Dunnville which is pretty accessible, but it's a pretty dormant area. Maybe a facility at this end would be of value because there is potential in Haldimand county for growing corn which only started to come on stream, in Haldimand and Norfolk this last five years. I think this year in particular has shown that it can be grown if they have facilities and the storage facilities.

There have been at least half a dozen farmers, young farmers have put in driers and storage facilities. They're spending as much as \$50,000 and providing a good service. But \$1500 doesn't really go all that far on a capital grant basis. They are doing a service for agriculture in Ontario.

Hon. W. Newman: There had been a national grain storage program across Canada up until the last few years. Most of that money in the national treasury has been in western Canada.

We're very fortunate to have a minister from eastern Canada, if you want to call it

eastern or central Canada, from Ontario anyway, who has made some real strides in storage facilities on the national basis here in the province of Ontario, for which I give him credit.

Mr. G. I. Miller: I want to bring that point to your attention. There is one other concern, that is, crop insurance.

It was brought to my attention this year where I think we have a field man in our area who was an adjuster or takes care of the particular area. He was 70 years old thereabouts. He was ready to retire. I had another chap who made an application for the position. I know he had a lot of background in the cash crop field and was quite qualified in my opinion and yet he was not accepted. The feedback was that because he wasn't of the right political party he wasn't able to qualify for the job. I just wanted to bring this to your attention, sir.

Hon. W. Newman: Do you really believe that? Do you really believe that?

Mr. G. I. Miller: I have no reason to doubt it. I just want to leave that on record. I would hope not, because I think for the good of the industry as a whole and for the good of the province of Ontario, I think that is—

Hon. W. Newman: Outside of about five of the staff of my ministry, and I am not going to tell you who they are, I don't know what their politics are, and most of those five staffers work in my office.

Mr. G. I. Miller: That is good. I agree with that comment, but that is what has come back and I bring it to your attention, sir.

Hon. W. Newman: Well, I appreciate your bringing it to my attention.

Mr. Riddell: It would be interesting to know though, if I was defeated in the next election, whether you would offer me a job with the extension branch, back in my old stamping grounds again—

Hon. W. Newman: With your capabilities?

Mr. Chairman: Are you all through, Mr. Miller?

Mr. G. I. Miller: I did not intend to screw up the whole force this morning, but I just wanted to make that little point. I think that those who have the ability should be hired, that is the first qualification—

Hon. W. Newman: We hire the best and we have the best in our ministry.

Mr. G. I. Miller: But apparently that position was not filled. The chap came back to try again this year.

Hon. W. Newman: Is it filled, now?

Mr. G. I. Miller: I don't think it is, but I could be wrong.

Hon. W. Newman: Does anybody know if that position has been filled? I cannot tell you.

Mr. G. I. Miller: Thank you.

Vote 1802 agreed to.

On vote 1803, rural development program:

Mr. MacDonald: I have two relatively brief points on which I am seeking information.

Hon. W. Newman: Which one are we on now?

Mr. MacDonald: In the annual report, with regard to ARDA, it indicates that "as of March 31, 1977, ARDA had acquired 2,864 farms totalling 422,069 acres. Experienced farmers lease these farms for a period of five years with an option to purchase at the end of the lease period. The lease may be renewed for another five years."

I am just a little curious. What percentage of the land that you have got is leased out and what percentage of it is lying fallow, unused or what you will?

Hon. W. Newman: Well, I cannot give you the exact figure, but if I may just make a comment. Some of the land that is purchased is really not satisfactory for growing any sort of good agricultural product. We turn that land back over to the Ministry of Natural Resources and they usually reforest it, take it under their management program. But I would say about 99 per cent of it is leased out to other farmers.

Mr. MacDonald: And only one per cent is turned back?

Hon. W. Newman: Yes, there is not too much turned back, because we don't try to buy a lot of bushland if we can help it. But most of it is leased back to farmers.

Mr. MacDonald: That leads me right into my next question, by strange coincidence. Earlier, in commenting on something—I have forgotten, Mr. Minister, what it was—you said that you had something to tell us about the research that is being done with a view to using less productive land, lower category land, for the production of fibre for energy purposes or for protein purposes. This business of grinding up poplar and you have a protein that can be added in certain quantities into mixes for feed, and things of that nature.

Since agriculture is one of the great energy-guzzlers, we talk about cars guzzling

a lot of gas and we do use a lot of energy in agriculture, have you come to any conclusion as to whether or not there isn't a field in rural development for the encouragement of the production of wood and fibre, either for protein purposes or for energy purposes, the making of methanol?

Hon. W. Newman: We are doing some work on methanol, but as far as the wood is concerned, we discussed it here the other day. I think you were here when we discussed it.

Mr. MacDonald: Yes. I have been here all the time, I have been watching you like a cat.

Hon. W. Newman: So I won't go into it. Well, you know it is quite interesting to note that there has been some experimental work done on it. I think it is making ethyl alcohol.

Dr. Rennie: Methanol.

Hon. W. Newman: No, no. I am talking about ethyl alcohol that actually could be produced for about \$2 to \$2.50 a gallon, if gas ever gets that high, and I hope it never does. Actually we could replace gasoline then—

Mr. MacDonald: I thought with methanol.

Hon. W. Newman: We will talk about methanol in a moment. I was just pointing out another, this is an aside, perhaps.

As far as our methanol experiments are concerned, I am going to ask Dr. Rennie, who is in charge of the experimental work, exactly what we are doing on the methanol experiment.

Dr. Rennie: On that one, John Curtis, principal of Kemptville, is our ministry representative working with the Ministry of Energy on this task force with respect to the methanol project. They are running digestibility studies on the refuse from this as an animal feed source, in addition to the methanol aspects.

[1:00]

As a ministry, we are just looking at it as a by-product for animal feed and in terms of productivity per acre; and that is part of the total study, along with energy. They are then looking at the potential for methanol production per acre based on this fast-growing poplar tree. The task force is just completing some of its studies now on that.

Mr. MacDonald: From your studies so far, does it look as though it represents a significant potential boost for the lower category agricultural areas? I remember way back in the 1950s one time when the cabinet held a meeting with the development agency—or

whatever it was called back then, the development council in eastern Ontario—one of the briefs that was presented noted that literally hundreds of thousands of acres of land had been cleared ill advisedly in the earlier days. It has now grown up as scrub. I wonder if it could be used for the production of something that could be a marketable product, in view of our growing desperate need for new energy sources.

Dr. Rennie: At the moment, if I were to second-guess the study, I don't think it is on poor quality land. This fast-growing poplar tree which has been developed by the people in the Ministry of Natural Resources and others requires good quality land, needs a lot of fertilization and needs good weed control. We feel if you are going to do that we can get more energy and protein per acre with corn and crops of that nature than from the other.

If you just want to put this material, even

though it's a very fast-growing type of plant, on low quality land, you're not going to get much of a production break from that.

Mr. MacDonald: On the low quality land the only solution is really to put it back in forest?

Dr. Rennie: That's one good possible solution. It doesn't look economic to me at this point. I'm second-guessing the committee slightly, but on preliminary reports which I reviewed that would be the opinion I'd pass down. I think there's far more potential for the use of processed wood chips and this sort of thing for animal feeds as a byproduct from the lumber industry.

Mr. MacDonald: Mr. Chairman, believe it or not, that's all.

Mr. Chairman: I guess we'll adjourn now and continue discussion on vote 1803 on Monday evening at 8 o'clock.

The committee adjourned at 1:02 p.m.

CONTENTS

Friday, November 18, 1977

Agricultural Production Program	R-841
Rural Development Program	R-858
Adjournment	R-859

SPEAKERS IN THIS ISSUE

Gaunt, M. (Huron-Bruce L)
Havrot, E.; Chairman (Timiskaming PC)
Johnson, J. (Wellington-Dufferin-Peel PC)
Lane, J. (Algoma-Manitoulin PC)
MacDonald, D. C. (York South NDP)
McKessock, R. (Grey L)
Miller, G. I. (Haldimand-Norfolk L)
Newman, Hon. W.; Minister of Agriculture and Food (Durham-York PC)
Reed, J. (Halton-Burlington L)
Riddell, J. (Huron-Middlesex L)
Wildman, B. (Algoma NDP)

Ministry of Agriculture and Food officials taking part:

Ediger, H., General Manager, Crop Insurance Commission of Ontario
McGill, H. E., Director, Livestock Branch
Rennie, Dr. J. C., Executive Director, Research and Special Services Division
Spencer, V. I. D., Director, Food Land Development Branch



No. R-33

Legislature of Ontario Debates

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Resources Development Committee

Estimates, Ministry of Agriculture and Food



First Session, 31st Parliament

Monday, November 21, 1977

Speaker: Honourable John E. Stokes

Clerk: Roderick Lewis, QC

CONTENTS

A list of the speakers taking part in the debates in this issue of Hansard appears, in alphabetical order, at the back of this issue.

Daily contents of proceedings also appears at the back of this issue. Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff. Phone 965-2159.

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LEGISLATURE OF ONTARIO

MONDAY, NOVEMBER 21, 1977

The committee met at 8:05 p.m.

ESTIMATES, MINISTRY OF AGRICULTURE AND FOOD (continued)

On vote 1803, rural development program:

Mr. McKessock: Mr. Chairman, I want to ask a few questions about the Grey-Dufferin pasture.

On September 23, along with Ross Milne and Perrin Beatty, members of the federal parliament, I met with the Grey-Dufferin pasture committee, and we phoned DREE in Ottawa to find out if we could amend this agreement to get \$400 an acre to buy a package of land that was available to this committee. They had \$300 an acre available but the land was going to cost \$400. What they wanted was to have \$100 of the \$150 development money available to them made available for purchase and leave \$50 for development.

On phoning Ottawa that day, we were advised that the provincial government should make a proposal to DREE asking to have this development money made available for either purchase or development of land. Mr. Minister, I've written to you on this twice. The first time my letter wasn't looked at too thoroughly but the second time, when I pointed out that Ottawa was awaiting a proposal, I was made to understand you were going to do it. Has this been done?

Hon. W. Newman: Yes. Let me say this: when the Grey-Dufferin pasture was set up originally there was 500 acres at Proton township.

Mr. McKessock: Yes, that's right.

Hon. W. Newman: And there's a federal-provincial agreement that will pay up to about \$300 an acre, is it?

Mr. McKessock: Right.

Hon. W. Newman: And we advanced, interest-free, \$150 an acre?

Mr. McKessock: Yes. That brought it up to \$300 an acre.

Hon. W. Newman: We advanced that without getting any money from Ottawa. My understanding is that Herb Crown has talked to DREE and they won't consider doing what

you are asking them to do which is to amend the agreement to allow the development money involved to be used to buy the land. You're telling me the development costs on the land will not be very much.

You are asking to amend the agreement. You say they will agree. But Mr. Crown, who is looking after that branch for us, tells me that DREE will not consider amending this agreement. I don't know where you are getting your information. Obviously, someone phoned Ottawa, which is fair enough. If someone is prepared to get it for me in writing that they are prepared to amend the agreement, then I'm prepared to look at the whole situation.

Mr. McKessock: So you want a statement in writing from Ottawa that you are to make a proposal to them, requesting that the agreement be amended?

Hon. W. Newman: Yes. I think I am correct in suggesting that we have authorized \$150 an acre interest-free. Is that so, Herb?

Mr. Crown: Yes.

Hon. W. Newman: And this is really a special consideration.

Mr. McKessock: They really appreciate that. It has been a great help for the 500 acres they have purchased. They intended to buy 1,000 acres of land and the rest of this parcel is available to them now at \$400 an acre; it is much better land than most land you buy under the ARDA agreement. They feel it doesn't need development and it wouldn't take any more money than is set aside for the ARDA program. Only they want that money to be used for purchase instead of development.

Hon. W. Newman: But keep in mind the other costs that are involved. If this money was used to purchase the land, the cost of developing this land—the fencing and other expensive factors involved—may take the package of rentals so high that it would be economically unsound to rent it to the farmers. This is a factor that has to be considered. At that point in time, how much per head are they going to pay?

Mr. McKessock: They are prepared to do their development as finances are available

to them. If they had that \$50 available, and they had to wait a year to do some other fencing, they would be prepared to do that. It wouldn't have to be done all in one year. They are willing to take the responsibility for that. Have you made a written proposal to Ottawa for such an amendment?

Hon. W. Newman: We have advanced our portion of the money and, as you said, they appreciate that. Mr. Crown has indicated to me that DREE will not consider any amendment to do this. Have you talked to somebody on that, Mr. Crown?

Mr. Crown: Yes, sir. I contacted the ADM at the Toronto office and his senior assistant. They advised that, as a matter of policy, they did not want to entertain any amendments to the rural development agreement.

As you know, Mr. McKessock, it is a very short-term agreement which was extended for two years. A number of amendments are being looked at by an intergovernmental review committee in terms of the long-term feature of ARDA, so they are not inclined to look at any individual amendments at this time.

DREE in Toronto said they had no record of anybody in the federal office at Ottawa having been contacted on this matter. If they did that, the feeling of their office was they would not support that or any other amendment to the agreement. Hence it wasn't pursued any further.

Mr. McKessock: I think the problem probably is big bureaucracy. I will get back to Ross Milne and request that DREE in Ottawa make a written proposal to you asking for such an amendment.

Hon. W. Newman: It seems that we are being told one thing and you are being told another. I am not disputing anybody's point, but let's get something down in black and white.

Mr. Bounsall: A couple of questions in this section: The transfer payments of this total vote occupy a fair percentage, over one-third of it. I have a couple of questions on some of the programs. What are you doing this year with the \$500,000 for projects for native people? Could I ask the minister just what is being done with that money?

Hon. W. Newman: The specific projects for native people? It is mainly reforestation, I believe. I'll give you some details on it. Are we talking about the \$500,000 item?

Mr. Bounsall: That's right.

Hon. W. Newman: This is being done in conjunction with the Ministry of Natural Resources; it also includes the wild rice work

we are doing with the native people. If you want specific details, we could ask Mr. Crown.

[8:15]

Mr. Crown: Most of the funding for the Indian projects has been in the area of tourist industry development, and in some cases for forestry development on their reserves, to improve the capability of their band to obtain employment either on the reserve or through industry. Many of the projects have been associated with those types of industries. They originate from proposals that are put forward by band council resolutions and are reviewed by the federal Department of Indian Affairs and the Indian Community Secretariat of the provincial government.

Mr. Bounsall: Does it require approval by both of the last two groups you mentioned before a particular project is funded? How do you arrive at what you fund, who you fund and how much? You mentioned that both the federal and provincial groups get involved.

Mr. Crown: The amount of the funding is determined after an analysis has been made of what a realistic actual cost would be, and is in relation to what benefit there would be from that project. Under the federal-provincial rural development agreement, we have a means for the province to recover 100 per cent of the cost of the projects if they have to do with registered Indians or projects on Indian reserves.

Mr. Bounsall: I presume you recover the moneys you have put into a project if it is a successful one and they make profit on it. Is that correct? How do you then recover them?

Mr. Crown: We don't.

Hon. W. Newman: For instance, in a case where it is completely native people—is it Métis and non-Métis? I'm getting mixed up between the two of them—on reserves, actually it can be funded through ARDA with 100 per cent federal dollars. But on the other projects—I can list the projects if you would like to hear what they are: Dokis Marina, Parry Sound; Debassige Precast Cement, West Bay Reserve, Manitoulin; Parry Island Maple Syrup, Parry Sound; Pays Plat Indian band snowshoe manufacturing plant, Thunder Bay—

Mr. Bounsall: I have just uncovered a list of them in your annual report here, which I guess is complete, so we can save the minister's reading them out. That's a complete list.

Just one other question with respect to

the projects for native people: No doubt it is for historical reasons that you have got into these projects, but in many instances they sound more like tourism enterprises rather than agricultural ones. How is it that they find their way into your ministry rather than the Ministry of Industry and Tourism?

Hon. W. Newman: One reason we are involved is that we use the ARDA Act, which is fairly broad, to get some federal funds to do some of these projects. It includes other ministries. The Ministry of Natural Resources is involved and sometimes does projects under the ARDA program through our ministry. That is quite acceptable to the feds.

Mr. MacDonald: It's rural development, isn't it?

Hon. Mr. Newman: Yes.

Mr. Bounsall: In whatever form. It obviously doesn't have to be agricultural rural development.

Hon. W. Newman: No, it is just rural development.

Mr. Bounsall: Another question I have in this area is on the \$1.2 million being spent on alternative employment and income opportunities. Does this involve employment training projects or upgrading of existing skills? How is this money spent?

Hon. W. Newman: This is really to create jobs. For instance, through ARDA, we might put a whey utilization plant in a cheese plant. That is one example I can think of right off hand. In terms of food processing plants, I think the cranberry program would come under this particular item; that's where we helped the native people to develop the cranberry market. We have a very successful employment incentive program. There is a list of the various things we do on page 25 of the annual report. You will see the whole list there of where this money is going to create employment in rural development. The whole idea is that it is based on the creation of new jobs.

Mr. Bounsall: Okay. That's good.

Mr. Riddell: Mr. Chairman, how much was purchased under the ARDA program last year and what was the maximum price paid for that land?

Hon. W. Newman: The maximum price paid was \$350 an acre. As to how much land was purchased, I can't give you the total acreage. I'll have to look it up.

Mr. Crown: We'll need some clarification whether you mean last year.

Hon. W. Newman: Calendar year or fiscal year?

Mr. Riddell: You operate on a fiscal year, so give me the information for the last fiscal year, say.

Hon. W. Newman: In other words, from April 1, 1976, to March 31, 1977.

Mr. Riddell: The total number of acres purchased in the last fiscal year.

Mr. MacDonald: The annual report states that there are 2,864 farms and 422,069 acres. It would be interesting to know, as Mr. Riddell has asked, how much of that was added in the fiscal year ended last March 31.

Hon. W. Newman: I can't give you exact figures but we can find out for you.

Mr. Crown: About 55 farms were purchased this year. The acreages vary, but up to this year about 55 farms have been purchased under the program.

Hon. W. Newman: Up to this point in this year? Are you talking about this year?

Mr. Crown: This year, yes.

Hon. W. Newman: From April 1, 55 farms have been purchased.

Mr. Riddell: Where are you purchasing this land? In other words, in what part of Ontario can you purchase land for \$350 an acre?

Hon. W. Newman: In various parts of eastern Ontario and northern Ontario, mainly.

Mr. Riddell: And most of this land you've leased out to other farmers?

Hon. W. Newman: Right. About 98 or 99 per cent of it is leased out.

Mr. Riddell: What's done with the other one per cent?

Hon. W. Newman: Normally it goes back to the Ministry of Natural Resources for reforestation or something like that.

Mr. Riddell: Is this by agreement?

Hon. W. Newman: Yes. We look at a farm and decide whether it can be leased to the neighbouring farmer or to somebody in the neighbourhood who wants it. If it looks like nobody wants to lease the land, it is turned over to the Ministry of Natural Resources.

Mr. Riddell: How many farmers are using the option of buying this land after a 10-year period of time?

Hon. W. Newman: After five or 10 years?

Mr. Riddell: All right. How many are exercising the option after five years?

Hon. W. Newman: About 75 or 80 per cent, I think.

Mr. Riddell: Do you sell the land at the price at which you people bought it if the lessee buys it in 10 years' time?

Hon. W. Newman: That's right, plus added costs. Any costs that go to improve the land, of course, are added to the price of the land.

Mr. Riddell: Do you foresee this program continuing? In other words, will you be continuing to purchase land over the next year or two?

Hon. W. Newman: Over the next year or so, yes, because our agreement only runs for two years from last April 1, I believe. There was a two-year extension of the program. They are looking at a whole new kind of program on which we are having internal discussions with—

Mr. Riddell: Could you expound on that new program now?

Hon. W. Newman: They would like to have a general development agreement worked out with the various provinces across Canada. I would not want to comment until we have had some more detailed discussion, but I am not so sure whether I am overly happy with that sort of an agreement, because it would not necessarily come under this ministry. I think it is very important that we keep it under this ministry in order to do it for rural development. We are only in the talking stages right now.

Mr. Riddell: Before we adjourned on Friday, we discussed the processing of poplar wood for livestock feed, and then we talked a bit about the possibility of using poplar wood for the production of methanol in this energy crisis we are allegedly facing today.

I was wondering whether the ministry had done any research with all the corn stalks that are left after harvesting the grain corn. We know full well we are not incorporating a great deal of organic matter by ploughing that under, because the bulk of the organic matter, as I understand it, comes from the roots of the plant.

Could all these corn stalks and leaves not be put through a fermentation process? Could we not even take some of the surplus grapes that we end up with each year and combine them with the corn stalks to make methanol or some form of alcohol for use in this energy shortage?

Mr. Wildman: Corn liquor.

Mr. Bounsall: It tastes pretty good.

Mr. Riddell: Think of the tons and tons of corn stalks and leaves that are left in the field or ploughed under that perhaps could be used for the production of energy. Has the ministry been doing any research on this at all?

Hon. W. Newman: I can't tell you that

but, if you grow corn like I do, it's not so easy to harvest all those stalks after the have been knocked down by the corn pickers.

Mr. Riddell: I've done it now for the last five years; I've gone into the field and put the stalks up as silage. It's not the best feed, but in a cow-calf operation, and with cattle losing money over the last three years, you've got to look for every possible means of saving on your input costs.

I would have to think that machines could be developed that could harvest the grain corn and then throw this stuff back into the wagon. We're wasting a potential energy source by leaving the stuff to rot in the field or ploughing it under, which isn't doing a great deal of good to the soil.

As a matter of fact, a chap came in and spent a whole half day talking to me about it. He is aware that you can get methanol from the fermentation process because he did it as an experiment in his own place. He came to me to see if we would get the ministry to act on it. I simply bring it to your attention. Do you think it would be worth pursuing?

Hon. W. Newman: We are doing some testing on it. What we are doing is testing machines for the effective harvesting of corn stalks. As for putting it through a digester to create methanol or something else, if you want to get into the technical details, you would have to ask Dr. Rennie to answer you on that. We are certainly doing something.

Mr. Haggerty: In the United States, one of the western states, perhaps Iowa, is using this method to produce alcohol. They're blending it in with gasoline and getting a better mileage in their automobiles as well as cleaner combustion.

Mr. Riddell: I'd be interested in hearing what Dr. Rennie has to say.

Mr. Haggerty: They are using corn stalks and surplus grains, and they are trying many other things.

Hon. W. Newman: It's a matter of economics in terms of the cost of producing the alcohol.

Mr. Haggerty: It's economical. That's what they say over there now. I suggest that someone should be looking at it.

Hon. W. Newman: Let's ask Dr. Rennie to talk about the research. Let's deal with one question at a time.

Dr. Rennie: First, to deal with the machines, during the past couple of years they have looked at some machines for harvesting of these stalks, which the minister said earlier

re so difficult to get at after the corn pickers have gone through. One was a Russian-made machine; I can't recall where the second one came from. They tested both machines and found that, while they're effective, they have very low output and are going to require a lot of modifications. They have been looking at that possibility for the past year. They have also been doing some testing on machines that will harvest both the stalks and the grain at the same time.

On the other aspect, our emphasis in the research program has been to take corn stalks and other low-quality roughage and, through chemical plus mechanical processing, attempt to improve their digestibility so they would be a good feed for ruminant animals. This is where our major emphasis has been up to date, rather than the methanol-route, because there is a lot of low-quality roughage. We're trying to improve its digestibility, as in the case of poplar, which is basically of zero digestibility in its present native form but, after going through the steam and pressure process, it gets up to about 50 to 55 per cent digestible; it then is a good source of energy not protein but energy.

Mr. Chairman: I just want to add to Mr. Jaggerty's comments regarding using waste products in a digester. I have had a discussion with the Minister of Energy (Mr. J. A. Taylor) with regard to an inquiry I had from one of my farmer constituents who has developed a digester that will take any form of waste and produce methanol. They're sending up a crew to have a look at this digester so it would be interesting to see what happens.

Mr. Riddell: I think we should be pursuing this because of the amount of waste we leave in the fields every year; it should be put to better use than it is. I pass, Mr. Chairman.

8:30]

Mr. McKessock: I had a supplementary to Jack's point on ARDA. Do you realize that in these farms you are reassessing after five years or whatever it is, the cost of leasing or purchasing them, seems to be getting out of the reach of the farmers next door to them? The farmer I spoke to recently complained that whereas he can rent a farm owned by someone from the city for \$200 or \$300, the farm he has been leasing from ARDA has been revalued and now has gone up to \$700 or \$800.

Hon. W. Newman: No, no. After five years they are entitled to buy it back at the original purchase price. It is a five-year lease, with

the option to buy at the end of five years at the original purchase price.

Mr. McKessock: But he didn't own the farm.

Hon. W. Newman: If you own farm A and ARDA buys farm B next door and leases it to you, the lease is for five years; and the cost of the lease, is it not applied to the purchase price too?

Mr. Crown: The cost of the lease?

Hon. W. Newman: Yes.

Mr. Crown: No.

Hon. W. Newman: Anyway, what happens is at the end of five years they are entitled to buy that farm at the same price ARDA paid for it five years before.

Mr. McKessock: This wasn't the case.

Hon. W. Newman: Tell me the case, because 80 per cent of the farms are purchased by the people who lease them.

Mr. McKessock: It is Brian McInnis in Sydenham Township. He may have moved in after ARDA purchased the farm.

Hon. Mr. Newman: Did he lease it?

Mr. McKessock: He was leasing it from them, yes. Possibly what happened was that the farmer he bought the farm from was leasing, and he came in and took over; they then reappraised that farm.

Hon. W. Newman: That's what they would do.

Mr. McKessock: Then up went the lease. He had it at the low lease for a couple of years or something like that, I believe.

Hon. W. Newman: But if a new owner comes in, of course the land is revalued.

Mr. McKessock: I think he had it at the original lease for a couple of years until that ran out. Then at the end of that time it was revalued and it went up; but unless it is lowered he won't take it any more.

Hon. W. Newman: If a farmer leases a farm for five years, he has a right to buy it at the original purchase price.

Mr. McKessock: I understand that.

Hon. W. Newman: At the end of two years, if he happens to give up his lease and somebody else comes in and buys the farm next door, the ARDA farm is re-evaluated at that point; then there is another five-year lease, and at the end of five years he can buy it.

Mr. MacDonald: Still at the original price?

Hon. W. Newman: No, at the end of two years.

Mr. MacDonald: No. If he leases it for

two five-year periods, can he still buy it at the original ARDA price?

Hon. W. Newman: That's right.

Mr. McKessock: In this case, though, he took it over from another purchaser. He finds that the lease now is more than he feels he can afford to pay for it. Also the purchase price now being asked, he feels, is more than it is worth.

Hon. W. Newman: That may be true, but by the same token if you want to be very practical about the whole thing, if I own a farm and I lease the farm next door for five years with the option to buy it at the original price, that is a pretty good deal. If somebody else comes along and buys my farm and picks up the farm next door and leases it, that farm is re-evaluated at that point in time. He can lease it for five years and buy it at the end of five years at that price.

Mr. McKessock: That's right. But have you given any thought in the direction of keeping the lease a little lower after it is re-evaluated? It was fine for the first two years for him, but then—

Hon. W. Newman: In this individual case I don't know exactly what he was paying, how much it was costing him or how much the new owner had to actually pay. But it is based on taxes, insurance and interest while it is leased.

Mr. McKessock: There are no buildings on it; it is the problem of reassessment. Now the lease is more than it is worth for the pasture he is leasing.

Hon. W. Newman: The lease rental, I think, is about seven per cent.

Mr. R. G. Bennett: That is two per cent less than MTC's rate.

Mr. G. I. Miller: What does that work out at per acre? Seven per cent of \$350, is it?

Hon. W. Newman: That depends. The maximum is \$350.

Mr. G. I. Miller: That's pretty good. Ten per cent is \$35; what is seven per cent?

Mr. McKessock: Are you saying that \$350 is the maximum you will value them at?

Hon. W. Newman: No, \$350 is the actual maximum amount we are allowed to pay.

Mr. McKessock: But what is it when you revalue them?

Hon. W. Newman: I don't know exactly; if it is over \$350, it is over \$350. The question as I understand it is, if ARDA already owns it and it is re-evaluated at more than \$350 an acre, are we allowed to value it for more than \$350 an acre, and my answer to that would be probably yes.

Mr. McKessock: This is where the problem comes in.

Mr. Nixon: Are those lands in South Cayuga classified in the same way, even though they are not owned by ARDA but by the Treasurer?

Hon. W. Newman: No, but they are leased out on a different basis.

Mr. Nixon: Are you trying to sell any of the land back to them?

Hon. W. Newman: No, we are trying to get longer leases and more consolidation of the farms.

Mr. Nixon: You don't have a program of selling it back?

Hon. W. Newman: No, we don't have a program. We have no authority to. What we are trying to do down there is to get more consolidation and longer leases for the farmers in those areas that may not be developed and where there is a cancellation clause.

Mr. Nixon: Longer than five? They are five years now.

Is there some area in South Cayuga that may be developed according to government policy?

Hon. W. Newman: You had better ask the Treasurer that.

Mr. Nixon: I did, and I think he said it was the Minister of Agriculture and Food who had the responsibility.

Hon. W. Newman: I don't think he did at all. I think you had better check back in Hansard. You'll find that he didn't say that. I wasn't here, but I'm quite sure he didn't say that.

Mr. MacDonald: Could I have another supplementary on ARDA before we leave it? To what extent is the program slowing down? The member for Huron-Middlesex (Mr. Riddell) asked how many farms had been acquired in the last full year ended March 31, and your reply was that there were 55 new farms this year. When did it begin?

Mr. Crown: In 1966.

Mr. MacDonald: So it has been running for 12 years. The total number of farms was 2,800 in 1964; so on average you have been getting about 220 farms each year. What the average acreage is, I don't know. But is the program slowing down?

Hon. W. Newman: Yes, there is no point in fooling ourselves. It is slowing down because—

Mr. McKessock: Because they only paid \$350 an acre.

Hon. W. Newman: —as land prices have

increased in certain areas of the province, it has become harder and harder to purchase land at that price.

Mr. MacDonald: In your renegotiations with Ottawa—I understand you went through quite a period and had an extension for a couple of years while they were reassessing it—is there some consideration of a higher price that would take into account an inflationary factor so that we might get the same quality of land into the ARDA land bank?

Hon. W. Newman: In our last round of negotiations with Ottawa we had quite a time getting the maximum from \$150 an acre, which is what it started out at in 1966, up to \$350 an acre. We had a terrible time getting that done.

Mr. MacDonald: Do you think it is desirable to continue this process of land-banking through ARDA?

Hon. W. Newman: I think it is, because it is a consolidation program, by and large, and it is a good program.

Mr. MacDonald: Right.

Hon. W. Newman: The thing is, though, once you get that figure up too high, you automatically create problems. When everybody knows the land price is up to a certain point, land prices automatically seem to go to that particular point. It is the same basis as the Farm Credit Corporation: How much money should you lend and how will it affect land prices for farmers purchasing? You have to counterbalance those two items, and it is not an easy thing to do.

Mr. MacDonald: Okay.

Mr. Chairman: Mr. Wildman next.

Mr. McKessock: Just one more supplementary on that question I was asking.

Mr. Chairman: I thought you got an answer to that.

Mr. McKessock: I didn't really get an answer to that.

When they are reappraised and you release them, is there any chance that you would negotiate a better lease price on an individual basis where he has been leasing the farm right next to him and he isn't going to lease it again? Is there any chance you would negotiate a better price than the formula you have for leasing now?

Hon. W. Newman: I need to know the circumstances—the details, the location and everything else. Give us the details and we will have a look at it. But I can't tell you about an individual situation. There is a formula; there may be reason to look at the

situation. Maybe half of it is bush; maybe some of it is rock. I don't know.

Mr. McKessock: The land values are high around there and therefore the value put on it is more than it should be for the pasture.

Hon. W. Newman: What is the rental rate on that land now?

Mr. McKessock: I am not sure. It appears to me that is somewhere around \$700 for this 50 acres or something like that.

Hon. W. Newman: It's \$700 for 50 acres? That's about \$14 an acre. I don't know the circumstances, but \$14 an acre for agricultural land isn't too high a rental rate in my books.

Mr. McKessock: It depends on the land.

Hon. W. Newman: That's right. It depends on the circumstances.

Mr. McKessock: I'll get you the facts on it.

Mr. Wildman: I want to talk about ARDA and the relationship between the ministry and its operations in rural development with other ministries such as Industry and Tourism and Natural Resources.

Firstly, could you elaborate on the relationship between ARDA and NODC or ODC in general? My understanding is that when it comes to a manufacturing or tourism development application for a loan from ARDA, you have to get advice from NODC before you can okay it. They analyse the viability of the situation, determine whether it is a viable operation and make recommendations to you. Is that correct?

Hon. W. Newman: EODC, NODC or ODC is really the investigating agency that looks into the financial viability of a particular operation. Quite often they are involved as well in the development of a particular project. If they won't recommend the viability of a particular project, it is very unlikely that the ARDA portion would go through.

I can think of one or two recent cases where EODC looked into a particular situation and, because there was not enough money up front from the people who were involved in the project, they said it was not financially viable and therefore they wouldn't recommend it and there was no purpose in processing it too hard.

Mr. Wildman: If there is a project that involves native people—Mr. Bounsall asked some questions regarding this—and the Indian Community Secretariat of the Ministry of Culture and Recreation is involved, who makes the recommendation on the financial viability of the project? Is it ODC, NODC or EODC, is it somebody else in Industry and Tourism, or is it your people and ARDA?

Desirability of the project in terms of the native people aside who makes the recommendation in terms of the financial viability of the project? Who decides whether or not it might be profitable?

Hon. W. Newman: Do you mean if it's 100 per cent financed by the federal people through ARDA? If that's what you are talking about, that's done by the federal Department of Indian Affairs as far as I know.

Mr. Wildman: If it is something that is being funded by the Indian Community Secretariat rather than by the federal department, do you have any involvement?

Hon. W. Newman: We might. The Indian Community Secretariat may come to us, but by and large they operate on their own as far as funding is concerned.

When we are involved in ARDA programs, we deal with any particular ministry that happens to be involved—TEIGA, Industry and Tourism, Natural Resources and so on.

Mr. Wildman: I have had correspondence with and talked to Mr. Crown on the phone regarding an ARDA project in my riding which involves rabbits.

Hon. W. Newman: Is this the one John Rhodes and you were talking to me about?

Mr. Wildman: It probably was. I have had a great deal of correspondence with the Minister of Industry and Tourism (Mr. Bennett), with NODC and with the federal Department of Agriculture, about the matter. It's a situation where a rabbit processing plant received funding from ARDA in spite of a recommendation by NODC. I'm not saying they shouldn't have got it, but I'm looking for the relationship.

[8:45]

I understand that NODC was not too enthusiastic about the thing. I had some discussions with them about it. But I think they had an important reason for not being enthusiastic, and that was because of the market. Although I think there is a very viable market for the product, if chain stores are going to purchase the product, obviously it must be federally inspected. Unfortunately the plant was not built to the federal department's specifications.

I am not trying to find fault here. I just want to know what happened. I wasn't aware of that factor until later, when I found out that one of the chain stores—I won't mention the name—was willing to purchase a substantial amount of the product. However, when it became obvious that the plant could not receive federal approval—

Mr. Nixon: How about provincial approval?

Mr. Wildman: I am talking about health approval in this case.

Mr. Nixon: That's provincial, too.

Hon. W. Newman: We have both federal and provincial inspection.

Mr. Wildman: They got the provincial.

Hon. W. Newman: I am assuming this particular chain store, whichever one it is, probably wanted federal inspection. Is that it?

Mr. Wildman: That's right. The chain store just wouldn't go for it. They weren't just operating in Ontario; they were also operating in other parts of the country, and they couldn't purchase the product unless it had federal approval.

Hon. W. Newman: That's not true. They could purchase the product with provincial inspection.

Mr. Wildman: But they weren't going to.

We have a situation here where the plant now is going to NODC, I believe, or to Industry and Tourism, requesting further funding to renovate or change the plant so that it will comply with the federal specifications. In the meantime the employees have been laid off. The rabbit breeders have no market, and they haven't been paid by the processor because he just doesn't have the funds. He has a large number of breeders who want to supply him with rabbits.

It just seems that somebody—maybe it should have been me; I don't know—should have found out or been informed at the beginning that they were going to need federal inspection, and that the original funding should have been adequate in order to allow them to build the plant in the first place according to federal specifications and in order for the thing not to start up and then end up with a layoff period and their having to renovate et cetera.

I know it is a very complicated case, but I am just wondering who is responsible for determining whether or not the money is given out in the first place and whether or not there is a viable market for whatever product, whether it be this case or another one.

Hon. W. Newman: I think I know what you are talking about. Is it the plant in Algoma?

Mr. Wildman: That's right; the Goulais River plant.

Hon. W. Newman: It met provincial standards.

Mr. Wildman: Yes, it did.

Hon. W. Newman: They apparently were advised at the time—I think there has been

some correspondence on this—that they should get a federal inspection before they got into it. It meant that when they built their plant, they should have made the necessary changes. I guess they decided to go for provincial inspection.

Mr. Wildman: They were in an awful hurry, I'll admit that.

Hon. W. Newman: That's right. There was an ARDA grant of \$30,000—\$15,000 from Ontario and \$15,000 from Canada. It was, in round figures, a \$100,000 project. It was financed by the federal IDB, now called the Federal Business Development Bank.

Mr. Wildman: That's right. The total capital involved is almost \$200,000.

Hon. W. Newman: Up to \$200,000?

Mr. Wildman: About \$190,000.

Hon. W. Newman: But I think there were other extenuating circumstances in that particular plant that might have created some of the problems as well. I think you are fully aware of what I am talking about. I don't want to pinpoint any particular person at this point in time. But certainly the plant was built, I guess—

Mr. Wildman: There is federal funding from ARDA too. It is half and half, so surely Agriculture Canada would be interested in the federal inspection part of it, wouldn't it?

Hon. W. Newman: Not always; not necessarily. Provincial inspection is good enough for them. I think the big hangup here is that meat that is provincially inspected at our smaller plants for within-province trade is satisfactory to most people. In this particular case, I assume whatever chain store you are talking about wanted inspection by the health of animals people as well—

Mr. Wildman: That's right; it did.

Hon. W. Newman: —and, because they didn't meet the complete federal standards, they couldn't get it. Maybe they should have thought before they got into it about exactly what should have happened. Now, as you know, the people are not working there at this point in time.

Mr. Wildman: That's right; they're laid off. If they can get the necessary funding to do the necessary renovations and carry them through the winter so they can get back into operation, I think Industry and Tourism or NODC is convinced they can make a go of it and that it will be a viable operation. They already had a sizeable piece of the Toronto market when they were in operation as well as doing business with a number of hotels and restaurants in the area.

Mr. MacDonald: Barbara Klich reported last week that one chain store was selling rabbit at \$1.28 a pound.

Hon. W. Newman: If you were at our Food Festival Displays, you would notice they were handing out free samples of rabbit meat. It's a very excellent meat. I had some myself when I was there. It was part of the promotion of the rabbit industry here in the province of Ontario.

Mr. Wildman: That's good, because I asked Industry and Tourism if they were interested in helping to promote it. At first the minister (Mr. Bennett) said they weren't involved at all. When I pointed out that three people from various parts of his ministry were very much involved in the whole operation, then he said: "Well, maybe they are involved, and maybe they would get more involved with helping in getting the necessary funding."

But I'm glad that at least you're promoting it because, as I said, this also relates to the native people. A number of the breeders are non-status Indians and they have received a substantial grant from the Indian Community Secretariat, which I guess you weren't involved with.

Hon. W. Newman: I would assume it would be an operating grant they would get.

Mr. Wildman: No, it involves capital as well to build a rabbitry.

Hon. W. Newman: You mean for the native people to build their rabbitry? That's possible.

Mr. Wildman: That's right. I just hope there can be further investigation. Perhaps an entrepreneur's enthusiasm at the beginning may have got him into a little bit of a bind. He certainly knows how to use every level available to get assistance.

Hon. W. Newman: I don't know whether the owner already has been in touch with the Ontario Food Council—

Mr. Wildman: Yes, I understand they have been.

Hon. W. Newman: If stores are insisting on federally inspected meat—and in many cases they do; there is nothing wrong with provincial inspection, as far as I'm concerned, but if they insist on it, we can't—

Mr. MacDonald: Is it really a lower standard?

Hon. W. Newman: No. We don't require quite the same facilities. We insist on the health standards, and all animals are inspected before and after they are slaughtered.

Mr. MacDonald: Sometimes the ceilings are six inches too low.

Mr. Nixon: They are the wrong inspectors; they are not federally approved.

Mr. R. G. Bennett: It's the same inspection; they have the same training.

Hon. W. Newman: They have exactly the same training.

Mr. Wildman: Is there no way we can get together on that?

Hon. W. Newman: Our standards aren't quite as high in terms of building size, ceiling height—

Mr. Wildman: That's what this involves. That's right.

Hon. W. Newman: We feel that what we have is quite adequate. We are trying to make it a little easier for the slaughterhouses in the province of Ontario.

Mr. Nixon: It stems from the great meat inspection scandal of 1961, which you no doubt recall.

Hon. W. Newman: Yes, very well. I wasn't around then, but you were. You would remember better than I would.

Mr. Nixon: As a matter of fact, it was associated with what you call Brant county at the time.

Mr. Wildman: I just want to tell you that during the debate on the Ministry of Industry and Tourism estimates, the minister said that as far as he was concerned, that particular ARDA grant was approved over the objections of NODC. I'm not sure that I would particularly agree with him on that; I'm just wondering if you would.

Hon. W. Newman: I don't recall all the details but I would assume that NODC, as our investigating agency, was very much involved with it.

Mr. Wildman: I know it was. Anyway, I'll leave that one. I have a couple of other questions in regard to the native people before I leave the subject.

I note that on a trip to Algoma you announced a grant to a metals plant at Echo Bay which was going to use native labour. I think the grant was about \$15,000, but I'm not sure; maybe it was more than that. It's listed in here as Dasj Metals Limited (Algoma). I'm just wondering what the status of that particular project is right now and how many native people are employed. I know the entrepreneur is a treaty Indian, and I'm just wondering how many people he is employing.

Hon. W. Newman: I'm afraid I can't tell you how many are employed; I have no idea.

Mr. Wildman: You don't know what the status of it is. Is he in operation yet? What's

happening? How do you monitor the program once you have given out the money?

Mr. R. G. Bennett: Under the federal agreement, we have 100 per cent recovery from federal DREE.

Mr. Wildman: That's straight from the federal department?

I understand also that the Garden River band recently had meetings with you and Mr. Crown. Chief Ron Boissoneau and some of his councillors were down because they were requesting, I think, \$5,000 for Ojibway Park, the tourist trailer camp on the Garden River reserve. I am just wondering what is happening with that request. What is the status of that?

Hon. W. Newman: Maybe you heard what Herb told me just now, that basically they are asking him to prepare a plan and Indian Affairs would have to have a look at it.

Mr. Wildman: Yes, I believe they have gone to meet Indian Affairs since then.

Hon. W. Newman: But they haven't got a plan prepared and Indian Affairs hasn't had a look at it.

Mr. Wildman: No. They have met with Indian Affairs since talking to you people.

Hon. W. Newman: Have we seen a plan?

Mr. Crown: No, I haven't.

Hon. W. Newman: No. We haven't got a plan.

Mr. Wildman: Okay.

I don't know if you break it down this way, but can you tell me, on another matter, how much land was purchased in Algoma last year under the consolidation plan for leasing by ARDA, and how that compares with the previous year?

Hon. W. Newman: No, I can't offhand, but if someone will take a note of that, we'll give you a break-down. Do you want to know last year's figures?

Mr. Wildman: Yes, because it appears to me, as you said, that you have got a problem because of the cost of land going up and the \$350 limit. But in Algoma the land is not yet priced the same way it is in southwestern Ontario.

Mr. Nixon: The price of waterfront land is pretty good.

Mr. Wildman: Oh, yes. The waterfront land prices are pretty good.

Hon. W. Newman: We have this year's figures, but we don't have last year's. But what you are asking for is—

Mr. Wildman: It seems to be dropping very much in Algoma.

Hon. W. Newman: It's dropping off in many areas. Anyway, we'll get those figures for you.

Mr. Wildman: Have any of those parcels of property ever been leased or sold to non-citizens of Canada?

Hon. W. Newman: To those with landed immigrant status or to non-citizens?

Mr. Wildman: No, American citizens—non-residents?

Mr. Crown: We lease them to residents or landed immigrants.

Hon. W. Newman: Mainly residents and landed immigrants.

Mr. Wildman: Is there any stipulation that they should be citizens of Canada?

Hon. W. Newman: Wherever the farm is located that we purchase, what we normally do is we try to find the nearest neighbour who wishes to lease the land. What you are saying is, "If there is a US citizen who has purchased a farm and there is an ARDA farm next door, do we lease it to him?"

Mr. Wildman: Yes, if he's a non-resident. I have no unhappy feelings about it if he is living on the farm and farming and wants to lease something next door; but what happens if he just got it as a summer home?

Hon. W. Newman: No, no. You are saying, "Do we just straightaway lease it out as we would to anybody else under ARDA?"

Mr. Wildman: Let's say there is an American, or someone of any other nationality, who owns a farm as a summer home. He comes and lives there for a few weeks every year. If there's a piece of ARDA property next door, could he lease that as well?

Hon. W. Newman: No, he has to be a resident farmer.

Mr. Wildman: All right. I would like you to look into the Blackstock Farm in Algoma and a Dr. Mueller from Detroit.

Hon. W. Newman: The Blackstock Farm? Can you give us some details on that?

Mr. Wildman: Yes. I'll do that later.

Hon. W. Newman: When we start picking out individual cases in the thousands we've got, it's hard to be specific, but certainly we will get that one for you, if you will give us the names.

Mr. Wildman: Yes, I will.

Also, I would like some information. Do you have any input at all in the north where a number of farms in unorganized townships have reverted to the Crown for arrears in taxes of over three years? Do you have any input into what MNR, as the adminis-

trator of land in unorganized territories, might do with farm land that has reverted to the Crown?

[9:00]

Hon. W. Newman: By and large, very little. But I'm quite sure that if there was a particular case—and I'm sure you are referring to a particular case—

Mr. Wildman: I could refer to a particular case, but it's a general problem in that land-use permits under MNR now are only given out for one year. It's very difficult for a farmer, if he is next door and he would like to use the land for pasture for example. If he is only going to get a one-year land-use permit, it really wouldn't pay him to fence the property. He needs a guarantee that he's going to be able to use the land for more than one year at a time. MNR doesn't seem willing to give out anything more than a one-year land-use permit in this kind of situation.

Hon. W. Newman: Are you talking about pasture rentals? Are you saying they just give a one-year land-use permit?

Mr. Wildman: Yes. They do say it's renewable after one year—

Hon. W. Newman: What you're suggesting is that MNR should give them a longer-term lease that reverts back to Crown.

Mr. Wildman: That's right.

Hon. W. Newman: If it reverted back for taxes, I don't imagine the taxes would be that high because they allow up to three years before it would revert back.

Mr. Wildman: There's a particular area I'm talking about that MNR intends to reforest, so they don't want to sell the land to farmers. But they are not going to reforest it for quite a long time; in the meantime, that land could and should be used, rather than just lying fallow.

As you can well imagine, it just doesn't pay a farmer to fence land if he doesn't know that he is going to be able to use it for more than a year.

Hon. W. Newman: Yes, it wouldn't be worthwhile fencing it if he had it for one year.

Mr. Wildman: Exactly. As a result, a number of farmers have applied for land-use permits for grazing and agricultural land administered by MNR. When they're told they can have a one-year land-use permit, they say, "No thanks. I need it for longer than that."

Hon. W. Newman: They might need it very soon for two-for-one tree planting.

Mr. Wildman: I have a letter from the Minister of Natural Resources (Mr. F. S. Miller), indicating they don't intend to reforest these townships for quite some time.

Hon. W. Newman: If this is the case, it might be possible to talk to him regarding a longer renewable permit on a particular piece of land. I certainly would be glad to talk to him, because I realize that if I am going to rent the farm next year for one year, I'm not going to do much in the way of repairs on that farm in terms of fencing or anything else. Even for five years with the cost of fencing today, I'd want to look at it pretty carefully; it would have to be pretty fair land. I would assume that if it reverted back to the Crown for taxes it is probably not such good land.

Mr. Wildman: I would count you as an ally in my approach to MNR on that basis. Thank you.

Hon. W. Newman: Would you give me details of that particular case so we can look into it and talk to MNR? I don't know the land in question. I would think, with the cost of fencing today, even a five-year lease might be questionable.

Mr. Wildman: Yes.

Hon. W. Newman: I don't know what fencing costs in your county, but I know what it costs out where I am—

Mr. Wildman: It costs even more in the north—everything does.

Hon. W. Newman: I know it's very expensive around here.

Mr. Wildman: I'll give you the details after.

Mr. G. I. Miller: There are a couple of things I am concerned about.

Is 50 per cent of the money in this vote federal money?

Hon. W. Newman: Roughly. It can vary because they may pay 90-10, depending on how many native people are in or whether they're fully native or partly native.

Mr. Nixon: But the agreement is a 50 per cent agreement, isn't it?

Hon. W. Newman: You're talking about the whole vote?

Mr. G. I. Miller: Yes, for this vote.

Hon. W. Newman: Yes, basically it's 50-50.

Mr. G. I. Miller: So about 10 per cent of our overall budget is put up by the federal people. Is that correct?

Hon. W. Newman: Ten per cent of our total budget? I don't know how you figure that out.

Mr. G. I. Miller: The total budget is more than \$190 million—

Hon. W. Newman: I would call it closer to five per cent.

Mr. R. G. Bennett: No one knows.

Mr. G. I. Miller: It works out that way to me.

Hon. W. Newman: How do you figure that? The total vote is almost \$22 million. If you relate half of that to the total budget of \$193 million, it works out to a lot less than 10 per cent. Okay?

Mr. G. I. Miller: Okay. But it's a pretty good percentage. I just wanted to clarify that anyway.

Mr. Nixon: A good big five per cent.

Hon. W. Newman: Yes. A good big five per cent.

Mr. G. I. Miller: It's a nice bit of money; it's \$10 million.

Hon. W. Newman: Let me point out to you that \$5 million of it was for special incentive programs this year. That's straight provincial dollars. So if you want to deduct that and still pay compensation, you are probably under five per cent.

Mr. G. I. Miller: The thing that really concerns me is that of that total of almost \$22 million, I think about \$6 million is for salaries, wages and administration. That is about 30 per cent.

Hon. W. Newman: But if you want to look at the salaries and wages under rural development projects, I think you will find about \$5 million of that is for the special work programs we had this summer across this province, which were very well received, by the way.

Mr. G. I. Miller: I am not going to argue that point. As long as you can justify that expenditure.

I want to move down to the item about the protection of agricultural lands from flooding by the Great Lakes. About \$4 million has been contributed towards that. Where was that money utilized?

Hon. W. Newman: That would be mainly down in southwestern Ontario. It would be 45-45-10 funding—45 per cent by Ottawa, 45 per cent by us and 10 per cent by the municipalities or counties involved.

Mr. Nixon: Mostly along Lake Erie.

Hon. W. Newman: Yes.

Mr. R. G. Bennett: Lake St. Clair and Lake Erie.

Hon. W. Newman: It was all part of a program that was announced after the high

water came up about four years or five years ago.

Mr. G. I. Miller: But it was last year that this money was utilized.

Hon. W. Newman: It's an ongoing program.

Mr. G. I. Miller: Oh, it is ongoing? This means for next year—

Hon. W. Newman: I think the total project as announced involved something like \$28 million. Don't quote me exactly on that, but it is somewhere in that neighbourhood.

Mr. G. I. Miller: I will admit that I am a little green at this, but there is a problem, as you are probably aware. I think the member for Elgin (Mr. McNeil) is well aware of it. How many miles are there between Port Burwell and Port Rowan, Ron?

Mr. Riddell: A good, conservative estimate.

Mr. McNeil: I suppose it's 50, isn't it?

Mr. Nixon: You campaigned all through there, Ron.

Mr. G. I. Miller: Not 50, Ron. Between Port Rowan and Port Burwell? Isn't it five or 10 miles?

Mr. McNeil: No, it wouldn't be that. It is farther than that.

Mr. G. I. Miller: Maybe 12 miles?

Hon. W. Newman: Whatever it is, what's your question?

Mr. G. I. Miller: There is a group of farmers down there who are losing farm land every year and the high water line getting closer and closer to the regional road. Until it gets to that regional road, they are not going to do anything. Once it gets to that regional road, then some money will come across.

They have protected Port Burwell—and I don't know if you are aware of it, Mr. Minister—but they are suing the federal government, and I would assume, the Ministry of Natural Resources for loss of land as a result of putting in the rock along Port Burwell. They say, since the rock was put in there, that the currents have been changed, which is adding to the problem rather than easing it. I don't know if that is correct or not.

Hon. W. Newman: All I can do is give you an example of where I used to farm along Lake Ontario. Everybody said the currents would change there when they dumped all the rock in. However, I am not so sure that it did change the currents to any great extent. It depends on whether you are losing and or gaining land and on who you want to blame.

Mr. G. I. Miller: I agree with you on that point because I think it can be protected. There should be a program to protect that land—not when it gets to that regional road, but now. They are losing acres a year. How many acres are you losing, Ron?

Mr. McNeil: I don't know.

Mr. G. I. Miller: I know a farmer who had an 18-acre field—as a matter of fact, it was my uncle—and from 1940 until 1960, about 20 years, he lost 18 acres. It has all gone into the lake.

Mr. Haggerty: What about his house?

Mr. G. I. Miller: That will go too if it's not protected. I simply wonder if some of this money might be made available for that kind of protection?

Hon. W. Newman: This present money is under a special federal-provincial agreement, and the federal Department of the Environment now is involved in it. It was DREE before; now Environment has got into the act, and it makes it even more complicated in the total agreement.

Mr. Haggerty: Are you in the act, Bill?

Hon. W. Newman: We have to supply the money and then get it back. The feds don't pay in advance, you know. We have to pay and then get it back from them. So they have the use of our money for a while and they don't pay us interest on it.

Mr. Nixon: If their money was not in your budget, it would look pretty thin; it looks thin enough now.

Hon. W. Newman: Do you want to know something? They spend \$500 million a year on DREE and we get damned little of it.

Mr. Nixon: If you get half of your whole budget in this area, why don't you spend more, if you are so generous?

Hon. W. Newman: Maybe if we got a little more from Ottawa.

Mr. Nixon: You can't get a nickel out of the Treasurer (Mr. McKeough), can you?

Hon. W. Newman: You're back in your old rut again. I thought you had got out of it.

Mr. Nixon: When Darcy moves, you get squashed right into the corner.

Hon. W. Newman: Nuts.

Mr. Nixon: If it weren't for Eugene, you wouldn't have a budget worth looking at.

Mr. Chairman: Mr. Miller, go ahead.

Mr. G. I. Miller: Mr. Chairman, I didn't mean to cause you all these problems.

Mr. Chairman: I think it's a plot.

Mr. G. I. Miller: No, it isn't; not really. It's a serious problem.

Hon. W. Newman: Of course it's a serious problem. If the federal government would put up the appropriate amount of funds, as it does in other parts of Canada, it would be a lot better.

Mr. G. I. Miller: Are you saying, Mr. Minister that you would support a program to protect this particular area?

Hon. W. Newman: I don't think this particular program has ever been brought directly before us before.

Mr. G. I. Miller: Okay, I'll show you. I'll bring it. They just had a meeting—I'm glad you said that.

Hon. W. Newman: It's been nearly two years and we haven't heard about it yet.

Mr. G. I. Miller: I'll make sure you are aware of it, because it is a serious problem and I think it can be licked. A lot of people don't think so, but I know we have tried it in my own municipality of Walpole township; we've rocked it and it has protected.

Hon. W. Newman: Are you suggesting groynes?

Mr. G. I. Miller: What?

Hon. W. Newman: Groynes. Don't you know what a groyne is?

Mr. G. I. Miller: Yes, I do.

Hon. W. Newman: Fair enough. They've tried a series of groynes all along Lake Ontario. Of course, a lot depends upon the lake levels, and the lake levels depend on the amount of rainfall, as you well know.

Mr. G. I. Miller: I understand that very well. I don't like throwing money away either, Mr. Minister; I want to assure you of that. But I will bring this problem to your attention because it is serious. As I say, I think the member for Elgin can point out some areas where you can throw a stone from the regional road and hit the bank; it's getting that close. When it gets to that point, as I say, they will do something.

Mr. McNeil: We have the problem in Elgin. We lost acres and acres of land.

Mr. G. I. Miller: I think I made my point, Mr. Chairman. I appreciate your having given me the time to make the point. I will bring it to the minister's attention and we'll go from here.

Mr. Chairman: All through, Mr. Miller?

Mr. G. I. Miller: Thank you.

Mr. Nixon: I would like to ask the minister why it is necessary for us to vote this money when obviously the Parliament of Canada has already voted it. The amount for ARDA must have already been approved by

the Parliament of Canada. Why do we have to give it our rubber stamp?

Hon. W. Newman: I'm not sure that their estimates have gone through or not. Have they agreed?

Mr. Nixon: I don't know. You've probably spent some of this money already too. I hope you have, because you're on three-quarters—

Hon. W. Newman: A great portion of this money has already been spent because—

Mr. Nixon: I've never been able to understand why, when the money is approved by the Parliament of Canada, it comes down here and is put in your budget as if it comes from our provincial tax sources and we must approve it again. What's the point of that?

Hon. W. Newman: Because we paid initially. We paid the total shot, gross. It's in our budget and we get half of it back from Ottawa. In this case it's not half because of the extra \$5 million that's in here for this program. We're trying to get some of that back from them too.

Mr. Riddell: Whelan is going to cut out funding if he doesn't get more credit. You know that, do you?

Mr. Nixon: He's going to let you do it all on your own.

Hon. W. Newman: As much as I like Mr. Whelan—and I said so the other night—he sure fouled up the cow-calf program because nobody understands it right now. Anyway, that's another matter.

Mr. McKessock: A supplementary on ARDA: The \$21 million you're spending this year is up 50 per cent from last year. Is that right?

Hon. W. Newman: An additional \$5 million was put in there specially for work projects this year. That money has already been spent, by the way.

Mr. McKessock: On what kind of projects?

Hon. W. Newman: It has been allocated to municipalities across this province to do work outside of the urban areas.

Mr. Haggerty: Shoreline protection?

Hon. W. Newman: Whatever they want to use it for.

Mr. Nixon: All the municipalities?

Hon. W. Newman: Yes, every municipality in the province of Ontario—

Mr. Nixon: South Dumfries?

Hon. W. Newman: Yes. Don't you know what is going on in your own area?

Mr. Nixon: No, I certainly didn't know they had money like that to do anything with.

Hon. W. Newman: Let me tell you we got reports back from them all and I can show you how pleased every municipality is with the program.

Mr. Riddell: What are some of the projects?

Hon. W. Newman: We'll give you a full list of them, if you want.

Mr. Riddell: Just give me two or three examples.

Hon. W. Newman: They might be brushing; they might be cleaning up old buildings around the area, with permission of the owners.

Mr. McKessock: Did the municipalities have to apply for this?

Hon. W. Newman: No, we allocated them so much.

Mr. McKessock: And it was sent out automatically.

Hon. W. Newman: No, they had to send in a project.

Mr. Nixon: Have you got a list of the allocations and a list of the names of the municipalities?

Hon. W. Newman: Sure. We've got a list—

Mr. McKessock: Was each municipality notified of the program?

Hon. W. Newman: Yes.

Mr. MacDonald: Have you ever heard of that?

Mr. Nixon: Nobody's heard of that.

Mr. Riddell: Why does this come under your ministry?

Hon. W. Newman: Because we are very efficient in this ministry. We know how to deal with those sorts of problems.

Interjections.

Mr. Chairman: One speaker at a time, please.

Hon. W. Newman: It was really a "beautify or clean up rural Ontario" program.

Mr. McKessock: When was the program announced?

Hon. W. Newman: When was the program announced? Way back—long before the election.

Mr. Nixon: Just before the election!

Mr. Chairman: All right. Are we all through with vote 1803?

Mr. Nixon: I'd just like to find out how this money was spent beautifying rural Ontario.

Hon. W. Newman: Here is the sheet that went out to the municipal clerk-treasurers,

the counties, regions, districts and northern Ontario townships. Would you like me to read you the whole thing? All right, I'll run over it:

"Suggested Types of Projects and Activities: Consideration will be given to any projects and activities which utilize the skills and abilities of persons within the area who are currently unemployed and where these projects are consistent with the objectives of the program.

"Following is a list which is to be considered only as guidelines, as municipalities may have other projects in mind that would be more suitable to the particular situation:

"Removing weed growth, tree growth and soil erosion deposits from waterways, streams, ditches and municipal drains;

"Updating and improving farm tile drainage outlets by installing approved outlets where the farm owner is prepared to supply"—

Mr. McKessock: Excuse me. What does that mean—cleaning the outlets there where the farmer—

Hon. W. Newman: My goodness, you fellows are in good shape tonight.

"Upgrading and improving farm tile drainage outlets by installing approved outlets where the farm owner is prepared to supply;

"Removal and disposal of dead or undesirable trees (for example, dead elm trees) in open fields, in woodlots, on road allowances, Hydro land and public property;

"Removal and disposal of abandoned orchards and other trees and shrubs that might contribute to the spreading of disease of field crops;

"Planting of trees et cetera to create suitable wind breaks;

"Removal and appropriate disposal of derelict farm buildings that have outlived their usefulness;

"Construction of line fences on public and private land in areas where fencing is required to keep livestock contained in pasture areas and to prevent them from wandering through woodlots or on to public land. The costs of posts and wire et cetera would not be considered as eligible items for financial reimbursement for this program;

"The repairing, painting (with paint supplied by the municipalities), and cleaning up of public facilities in the area, such as fairgrounds, garbage landfill sites, cemeteries and municipal parks."

These were suggestions and there were others. If you want a list of what's done, I'll ask Mr. John Krauter, who is in charge of the program, to give you some comments.

Mr. Haggerty: Did you limit the municipalities as to what they could spend?

Hon. W. Newman: Yes.

Mr. Haggerty: Well, give us some of the specifics.

Mr. McKessock: Could I have a copy of that list and the copy of the announcement sent to me?

Hon. W. Newman: It went out to the municipalities on May 17.

Mr. Riddell: When was this program announced? Where did you announce it.

Hon. W. Newman: I announced the program; I can't give you—

Mr. Haggerty: What riding were you in?

Hon. W. Newman: This is one program we didn't get as much credit for as we should have.

Mr. Nixon: That's right. Somebody must have been really annoyed too, because obviously it was designed to buy votes. We never heard of it.

Hon. W. Newman: Do you mean to tell me you have never heard of it?

Mr. Nixon: Never heard of it. Why didn't you send me an announcement?

Hon. W. Newman: Why don't you ask—

Mr. Nixon: Not one of these members has heard of it. We never heard of it.

Hon. W. Newman: Do you represent your riding?

Mr. Nixon: Yes, I sure do. We've got everything that's going.

Hon. W. Newman: Then why don't you talk to the municipalities in your riding?

Mr. Nixon: I intend to.

Hon. W. Newman: I sure hope you will, because quite obviously you're lax in looking after your riding.

Mr. Nixon: I would think that somebody would give you a shot for spending all that money and not getting any credit.

Hon. W. Newman: We do things very quietly and efficiently on behalf of the people of this province.

Mr. Nixon: I know.

Hon. W. Newman: If you were doing it, you would do it differently.

Mr. Nixon: This time next year we'll do it differently.

Hon. W. Newman: Okay, here we are. "Northern Ontario—district of Algoma 14 townships and two improvement districts at \$6,000 each"—

Mr. Nixon: No wonder it made such an impact.

Hon. W. Newman: You're making a great impact tonight too, you know.

Mr. Nixon: I was trying to be helpful to the people of Ontario.

Hon. W. Newman: "District of Cochrane—seven townships and two improvement districts at \$6,000 each. District of Kenora—district of Manitoulin"—do you want me to go over the whole list?

Mr. Nixon: How much for Brant?

Mr. MacDonald: Just show how neglectful he's been.

Hon. W. Newman: "Brant—five townships at \$6,000 each—\$30,000."

Mr. McKessock: How much for Grey?

Mr. Nixon: It sank without a ripple.

Hon. W. Newman: "Grey—16 townships at \$6,000 each—\$96,000."

Mr. Bounsall: How about Milton?

Hon. W. Newman: Wait a minute; you've got regional government there.

Mr. G. I. Miller: Mr. Minister, if you don't give us the money, you're going to be in trouble.

Hon. W. Newman: "Haldimand-Norfolk—two townships and three towns at \$6,000 each—\$30,000."

Mr. G. I. Miller: What about the city of Nanticoke?

Hon. W. Newman: Nanticoke? There are three towns on the list.

Mr. G. I. Miller: Well? The town of Haldimand, the town of—

Mr. Riddell: Did the municipality have to apply?

Hon. W. Newman: We sent out this notice to them. They had to come back in with a project, and in most cases it was approved by the administrator. If it wasn't, it didn't meet the criteria. Once it was approved they had the okay to hire people who were looking for jobs, unemployed or otherwise, and go ahead with their project.

Mr. Haggerty: Was there any municipality in the Niagara Peninsula that qualified for that?

Mr. McKessock: What is the official name of that project?

Mr. Wildman: Pork Barrel.

Hon. W. Newman: There are only two townships in the whole province that didn't participate, I'm told. What do you want to know now?

Mr. Haggerty: Did any municipality in the Niagara Peninsula qualify?

Hon. W. Newman: That would be the Niagara region?

Mr. Haggerty: Yes.

Hon. W. Newman: In the regional municipality of Niagara there were two townships and five towns.

Mr. Haggerty: What did they get?

Hon. W. Newman: They all got \$6,000 each, so it would be \$42,000.

Mr. Haggerty: What are the names of them, though? That's what I want. What townships were they? There are only two in the whole region.

Mr. Nixon: Well, they both got them.

Hon. W. Newman: They each got \$6,000.

Mr. Haggerty: Is that Niagara south or Niagara north?

Hon. W. Newman: I don't know the names of the two townships. I don't know every township.

Mr. Haggerty: I thought you should have it, because there are two areas there.

Mr. McKessock: What was the official name of this program?

Hon. W. Newman: Rural employment incentives program: director John H. Krauter, co-ordinator C. E. Johnson.

Mr. Nixon: Rural employment incentives program?

Hon. W. Newman: Right.

Mr. Haggerty: That rings a bell.

Mr. Bounsall: How many townships in Essex?

Hon. W. Newman: In Essex county there were 14 townships.

Mr. Bounsall: At \$6,000 a piece?

Hon. W. Newman: Right, for a total of \$84,000.

Mr. MacDonald: I don't know how the Liberals got elected when they missed all these pork barrels.

Mr. Nixon: We didn't miss them. They got the money there; they just sank without a trace.

Mr. G. I. Miller: I think it was serious, really.

Hon. W. Newman: I'm quite serious about this whole program. I'm just surprised that you don't know about it. Quite obviously, you see, we go about doing our job and—

Mr. McKessock: Didn't want you to get any credit for it.

Mr. Bounsall: On this employment project, where the average grant was \$6,000, do you have any idea how many people it employed?

Hon. W. Newman: It was 121,000 man-days, wasn't it?

Mr. Krauter: It was 163,000 man-days. We didn't cut it down.

Mr. Bounsall: So that's about two employees for two months.

Mr. Krauter: Oh, I don't think so.

Hon. W. Newman: Some of them would work for three weeks, some of them four weeks, some longer, depending on the project the municipality put forward.

Mr. Haggerty: It did apply to both sexes?

Hon. W. Newman: Oh sure, both sexes.

Mr. Riddell: Where did you recruit your help? Through Manpower?

Hon. W. Newman: No, through the municipalities; they did it. Listen, this program we wanted to put in place, we wanted to get it operational, we knew the municipalities were efficient—

Mr. MacDonald: Now I know how the Liberals were elected; all the Tories were busy working on this rural incentive program, they weren't available for the election.

Mr. Nixon: All those thousands of man-hours.

Mr. Wildman: Could you tell me how the \$6,000 figure was arrived at? All the municipalities got \$6,000. I want to let the minister know that I did know about this program. I kept it as quiet as possible until after June 9. Then we talked about it in our riding. But how was the \$6,000 arrived at?

Hon. W. Newman: We took the number of municipalities of the province and divided it up—

Mr. Nixon: Into \$5 million, that's the amount Darcy said he could spend.

Hon. W. Newman: Into \$5 million.

Mr. Wildman: It didn't really have any relationship to the size of the municipality, to the numbers of the unemployed in the particular municipality? If you were a municipality, you got \$6,000.

Mr. Bounsall: That was not long enough for the recipients to get unemployment insurance.

Hon. W. Newman: No, we had to find some additional funding, and if some of the municipalities hadn't picked it up, it could have been reallocated.

Mr. Wildman: I see.

Hon. W. Newman: Practically all of the municipalities in the province had \$6,000. I'm sure any municipality could spend and they did.

Mr. Riddell: What feedback did you get from the municipalities?

Hon. W. Newman: Oh, fantastic.

Mr. Riddell: Are you going to carry this on another year?

Mr. Nixon: Maybe not next year.

Mr. MacDonald: I was just going to say, since this is such a good program, are you going to carry it on in a non-election year?

Hon. W. Newman: We'll have to wait until the 1978-79 budget comes out, won't we?

Mr. Nixon: Yes, but you know, don't you?

Mr. MacDonald: You cleared your estimates—

Mr. Wildman: A number of useful cleanup jobs were done in the municipalities and townships in my area but there weren't many drainage ditches that were cleaned. There was some tree and garbage cleanup and some roadway clearing. I think the municipalities liked it and thought it was a good idea, but it was a big surprise. Suddenly they were given \$6,000 or told they could get \$6,000 if they could figure out how to use it. I'm just wondering if this was really intended—and I think it was—to give some employment for a short period of time.

Hon. W. Newman: That's right.

Mr. Wildman: If that's what it was for, in northern Ontario there are vast areas that are rural, that are not organized into municipalities and if you just did it by dividing the number of municipalities into the amount of money you had, that meant that there were large areas where you didn't have any assistance.

Mr. Nixon: This is a good argument.

Mr. Wildman: For instance, I could think of Dunns Valley north of Plummer Additional township, which is unorganized, where there are an awful lot of elm trees that are dead and could fall over on the road when you're driving along. There were a lot of people who could use the employment, and it didn't get any money.

Mr. Nixon: North of Plummer Additional?

Mr. Wildman: Yes.

Mr. Nixon: They're all Liberal up there.

Mr. Wildman: He taught at Sault Ste. Marie at one time.

Hon. W. Newman: We dealt with townships and improvement districts.

Mr. Wildman: Just the municipalities?

Hon. W. Newman: Yes, in order that we could have it in place and functional in a hurry. That's exactly how we did it.

Mr. Wildman: You couldn't have gone through Northern Affairs?

Hon. W. Newman: I don't think that ministry was functional at that point in time.

Mr. Wildman: Good, I'm glad somebody's finally said it, that Northern Affairs—

Hon. W. Newman: I said "at that point in time."

Mr. G. I. Miller: I just wanted to bring up one thing. Before we brought in regional government, we had 18 municipalities and at \$6,000 apiece we would have got \$108,000. As it was under regional government we received \$30,000 because we had five municipalities. Is that right? We had the town of Haldimand, the town of Dunnville, the city of Niagara Falls, the two townships, Norfolk and Delhi. By God, we got hosed.

Mr. Nixon: Again.

Mr. G. I. Miller: Again, because we went regional.

Hon. W. Newman: But you got special grants from TEIGA too. Come on now, let's not forget that. I live in a regional municipality too.

Mr. Nixon: A small grant to help them arrange for their increase in taxes.

Mr. Ruston: That's right.

Mr. G. I. Miller: I can't argue with him.

Mr. Ruston: That's right.

Mr. Bounsall: This is a bribe to stay out of regional government.

Mr. Wildman: Your estimate here in item 2, the rural development projects, is \$21 million. Last year it was about \$14.5 million. Can you tell me which of these projects listed on page R25, have increased substantially to raise your amounts \$7 million?

Hon. W. Newman: The biggest one is the \$5 million for this employment incentive program.

Mr. Wildman: That's what I thought. So other than that program, there's only a \$2 million increase.

Hon. W. Newman: Approximately.

Vote 1803 agreed to.

On vote 1804, agricultural marketing program:

[9:30]

Mr. Riddell: Just by way of introduction, because I know that several of the members here want to discuss this marketing situation, I was just wondering what the minister's comments are on an article that appeared in the November 16 Globe and Mail entitled, "Hardee Chairman Thinks Ontario Is in Danger of Losing its Agricultural Processing Industry." The article starts out, and I quote:

"Unless the ground rules set by marketing boards change materially and quickly, Ontario is in danger of losing major segments of the agricultural processing industry on which the independent vegetable growers in the province depend, according to C. H. Franklin, chairman of Hardee Farms International Limited of Toronto. 'Over the last few years, following the major inflationary spiral of the early 1970s, many of those growers in Ontario who are protected by marketing board legislation have chosen to close their eyes to changes occurring in other parts of Canada and elsewhere in the world,' Mr. Franklin told the annual meeting of the shareholders of the company in Toronto."

Hon. W. Newman: Read the rest of it.

Mr. Riddell: I will, because I'm just beginning to wonder what side the former Minister of Agriculture and Food is on. It ends up that he is a director of this—what do they call it?

Hon. W. Newman: Let's not dwell on people who are not now in government, what they do or don't do. I don't think it's fair.

Mr. Riddell: I would think that he would be supporting marketing boards.

Hon. W. Newman: Pick on me if you like.

Mr. Riddell: It states here that Mr. Stewart said he is concerned "that Ontario sweet corn growers have set prices too high in relation to the United States corn prices and that the Ontario industry will lose export markets as a result. The fact that certain producers in eastern Ontario have been willing to take action to circumvent the marketing legislation was an indication that producers were prepared to produce corn for lower prices." Here we are in the process of dealing with legislation to stop this circumvention and I'm somewhat surprised at some of the statements that my good friend has been making. I was wondering, what are your comments on this? Do you think the marketing boards are getting us into trouble?

Hon. W. Newman: No. The other day I met with the processors. I met with the board, or one of the boards—the Vegetable Growers' Marketing Board. It was an interesting meeting. The Eastern Ontario Co-op was represented there, and Mr. Richards, the representative for Hardee Farms. As a result of that meeting, we set up a task force headed by my ministry's Dr. George Collin, head of the Farm Products Marketing Board, a representative from the processors, a representative from the marketing board, and, I believe, a representative from the Eastern Ontario Co-op, to look at the total industry.

As a result of that meeting it's fair to say the processors were quite enthused about it, and so were the Vegetable Growers' Marketing Board and the Eastern Ontario Co-op—enthusiastic about looking for ways and means of dealing with this particular situation in order to keep export markets. I'm not going to tell the Vegetable Growers' Marketing Board how to do it, but certainly, with a joint task force, we can seriously look at trying to maintain our export markets, which I am very interested in maintaining for balance of payments and other reasons.

At least they're quite prepared to sit down and discuss it. I know that the Vegetable Growers' Marketing Board would like to keep the export market. There is no intention of trying to put people out of business. We're just trying to find a solution to the problems as far as the export market is concerned. We're all pleased that this export problem is going to be tackled, including all the people involved.

Mr. Riddell: A solution to the problem is a national food policy.

Hon. W. Newman: I would go deeper than that. If we could get into GATT we could get into a lot of other factors involved here.

Mr. Nixon: That's probably a good point. You're not suggesting freer trade in farm commodities are you?

Hon. W. Newman: I didn't say freer trade, I said equity, reciprocity and seasonal tariffs; and so did Mr. McKeough.

Mr. Nixon: Then why is it in the Legislature he talks about freer trade? Has that got anything to do with lower tariff barriers?

Hon. W. Newman: When he talks about freer trade—and I don't like to speak for the Treasurer—I believe I'm safe in saying that what we are talking about is the EEC, the US and the Japanese market; especially the EEC which is a big potential market. They have put up tariff barriers on a month-to-month basis. We want to talk to them at the multilateral trade negotiations that are going on and say, "Let's be fair about this. If we are going to ship corn into your market or ship some other commodity into your market, you just can't keep putting the tariff up and down, because you cut us off and this isn't fair."

It's the same with the Japanese market as far as pork is concerned. They need our pork, they say our pork is the best, but every now and again they cut us off. You can't tell the hog producers to go ahead and produce so many hogs, that there is going to be a market in Japan; and then have them put up that

tariff barrier and cut us off for a while. If somebody is producing pork, at a particular point in time when they are two months old you can't say, "I'm sorry, kill them."

Mr. Nixon: We want no tariff barriers there but tariff barriers here?

Hon. W. Newman: No, no; we are asking for equity in the system; reciprocity with seasonal tariffs and as far as the producers are concerned. As far as the processors are concerned—

Mr. Nixon: Is there a season for pork?

Hon. W. Newman: Do you understand the agricultural industry?

Mr. Nixon: I know that your Treasurer is saying we should have freer trade and you are saying the government of Canada ought to protect our farmers. Now we say the government of Canada ought to protect our farmers, but we don't believe you can have it both ways.

Hon. W. Newman: So does Mr. McKeough.

Mr. MacDonald: Can I ask a supplementary on that, please? I am very interested in what Jack has raised, because what Mr. Stewart said is that he's concerned that the Ontario sweet corn growers have set prices too high in relation to the US corn market—

Mr. G. I. Miller: Corn too high, Don?

Mr. MacDonald—and that the Ontario industry will lose export markets as a result. Now you are moving, and we will debate this in the House, to plug this loophole. What in effect was happening was that there was a negotiated price on behalf of all of the commodities under the vegetable marketing board—you negotiated a price across the province—and here was a group that was trying to pull the rug out from under the negotiated price through integration from the producer up. It is just like the small number of wheat growers who, in conjunction with the grain exchange, tried for years to pull the rug out from under the wheat board, and they closed the door on that. It's a question of whether a minority group has the right to wreck a scheme that has been developed to meet the needs of everybody? What Mr. Stewart was saying was that here was a group that could produce corn or was willing to produce corn and sell it for less.

Hon. W. Newman: No, I don't think that he was saying that.

Mr. MacDonald: He said, Mr. Minister, that he is concerned that the Ontario sweet corn growers have set prices too high in relation to US corn prices and the Ontario

industry will lose export markets. There must be a realization by the producers of the need to take a realistic viewpoint, otherwise they will kill the goose that lays the golden egg. He was saying that the price was too high and here was a group of farmers who were able to produce it for a smaller amount. Now what you are going to do in the amendments, and we will debate them at the appropriate time in the House, is to block that kind of destruction of orderly marketing which has been agreed to by all of the producers.

It brings me back to a point that I raised with you in the initial stages in my lead-off, and I recalled afterwards there was one point to which you didn't respond, and that is, if the price—

Hon. W. Newman: Just a minute. I asked you if I had responded to all your concerns and you said yes at that time.

Mr. MacDonald: Okay, but I am going to raise it now, you will have a chance to respond to it now. My point is this: if the price is set in accordance with some sort of formula so that you know it's a reflection of the costs of production or even better, an economic formula that takes other things into effect, then it seems to me it is wholly defensible. My understanding is that none of the negotiated prices under the vegetable marketing board are negotiated and fixed in accordance with a formula. It is just what they can get in any given year, given the circumstances of the market in that year. My question, to which you didn't respond, and I didn't remind you then that you hadn't responded but remind you now: Is it not a good thing, or do you think that you can play any role in this respect, to try to get prices that marketing boards negotiate attached to a formula that is defensible? In other words prices that reflect at least costs of production, and preferably other factors too, so that it's an economic formula? If that is done, then it seems to me there is no justification at all for any small group, because they happen to have what they think is an advantage, to try to destroy the marketing scheme across the board.

Hon. W. Newman: I guess what you're asking me, in effect, is could there be a cost analysis on every commodity.

Mr. MacDonald: Right.

Hon. W. Newman: In some cases this is done. In the case of eggs it's formula pricing, and on milk as well. I don't know whether it's been done on vegetables; has it?

Mr. R. G. Bennett: Yes, we have.

Mr. MacDonald: In some vegetables; really?

Hon. W. Newman: I didn't realize it, but we have. There's a negotiated price. They sit down at the negotiating table; the growers and the processors to negotiate. I don't want to influence their negotiations at this point in time. We have set up a task force to look at the total industry as far as exports are concerned. I'm not sure what the vegetable board is prepared to do in negotiations with the processors. I do know that the vegetable board wants to find a means of keeping the export market; they have expressed that desire.

Mr. MacDonald: When the deputy said a moment ago there is some analysis of cost, is that done by your economic department and made available to the marketing board for their use?

Mr. R. G. Bennett: We have dealt with them in the past, yes.

Hon. W. Newman: There was a cost analysis in the past apparently.

Mr. R. G. Bennett: Not formula pricing; it's not a specific formula like the milk board has, we don't have that. We have worked with the vegetable board in the past; I don't know whether we've worked with them on all commodities or not, I'm not sure we've worked with them specifically on corn, although I know we have worked with them on tomatoes in the past. We have done a cost analysis.

Mr. MacDonald: Mr. Minister, I recognize that marketing boards are autonomous bodies. They can exercise as many of the powers under the Act as they want. They can go right through the quotas and prices that must be lived up to in everything. It seems to me that if it isn't an undue intervention on your part, that at least through your economics branch, you can provide the basic information and try to urge marketing boards to tie negotiated price to a formula. Then it is defensible. Under those circumstances it seems to me you wouldn't have your predecessor saying the price that has been negotiated for sweet corn is in effect too sweet, it's too high. Therefore, you have some farmers who think they can produce at less and are trying to pull out.

If you weren't moving in to block the loopholes that have been established in the courts, the whole thing would be down the drain. You know that, and that's the reason why you're moving now, whereas you weren't willing to move last spring. Why can't you move in along with marketing boards in the

provision of basic facilities to them to make certain of this?

I was rather interested in talking to someone—I shall leave him unnamed—who was very close to the whole vegetable industry and I put this proposition to him: Wouldn't it be better to get their negotiated price tied to a formula, at least a cost-of-production formula, that was defensible? He said, "I think that's a good idea." If a person who is as close to the industry as he was thinks it's a good idea, why aren't you moving to do it?

I'm concerned about the whole massive attack on marketing boards—the proposition that marketing boards are an instrument to gouge the public. I have found in every instance—the Milk Marketing Board is the best case—when I explained to a group of people who are all city folk, as to how the price of milk is gauged in accordance with a formula, the argument ends. Then you can prove to them that they have no right to a continued cheap food policy. They understand it. They understand the proposition that we're going to be the ultimate losers, if we don't sustain our farmers adequately to give them the incentive to keep in production.

Hon. W. Newman: Do you do that when you negotiate wages too?

Mr. G. I. Miller: Wages are negotiated every day of the week.

Mr. MacDonald: Where the hell have you been if you don't know that?

Hon. W. Newman: Except one thing you're leaving out on milk and I won't dwell on it—the export market in milk is very heavily involved with the feds, as you well know.

[9:45]

Let me come back to your other question. I am told we do a cost analysis. We'll try to keep up to date on practically all commodities. Mr. Hazlitt of the economics branch is here, and they do a cost analysis and keep it up to date on practically all commodities. One of the big problems we are faced with is tariffs. If you do a cost analysis on growing greenhouse tomatoes in the province of Ontario as opposed to bringing them in from the southern US, Mexico, Taiwan, South Africa, or wherever, you cannot compete with Mother Nature and year-round sunshine. So the two are somewhat locked together.

Mr. Riddell: You always make comparisons with the States. Let's use the comparison in the potato industry where processors are paying \$1.80 for potatoes in New Brunswick—

Hon. W. Newman: No, no.

Mr. Riddell: —and \$3.20 here in Ontario.

This guy says that means the potato processing industry in Ontario is going to phase out.

Hon. W. Newman: No, no. I had all the figures on potatoes here the other day. I've just forgotten them, but that's not quite right. Somebody else will give them to us here in a moment.

Mr. Riddell: You mean to say they are paying more than \$1.80 in New Brunswick for potatoes?

Hon. W. Newman: That's right, \$3.20 under contract in New Brunswick.

Mr. Riddell: Then these people are way off base on the information they've got.

Hon. W. Newman: If you are non-contract in New Brunswick it is less. But if you are on contract, with whatever processors, it is \$3.20.

Mr. Riddell: I would think we could compete quite favourably with New Brunswick from the standpoint of growing potatoes.

Hon. W. Newman: We can.

Mr. Riddell: You keep bringing up this red herring about how we can't compete with the United States and other countries.

Hon. W. Newman: If you think that is a red herring, I am glad you put that on the record.

Mr. Riddell: I think we can compete.

Hon. W. Newman: On greenhouse tomatoes, for instance, as opposed to ones coming in from other countries?

Mr. Riddell: Not maybe on greenhouse—

Hon. W. Newman: Processed fruits?

Mr. MacDonald: Not until we have reduced their costs through nuclear power.

My questions were on that issue. For once I was scooped by a Liberal. He had the same clipping

Mr. Haggerty: Mr. Chairman, I want to discuss the matter of marketing boards. I will start off with a letter from Port Colborne Poultry Limited. The letter says:

"We appreciate the interest shown on your recent visit to our poultry plant and at the same time we hope that we have made you aware of some of the major problems that face us in the poultry industry.

"As we explained to you at that time, we enlarged and modernized our plant in 1976. Presently we process 2,200 chickens per hour and with some added equipment and labour we can process up to 3,000 chickens per hour. Our work force consists of 20 male and 48 female employees, with a weekly payroll of \$10,000 to \$11,000.

"At the risk of being repetitious, we wish to remind you once again that we will need aid in solving some of the life and death problems faced by independent processors.

"We are caught between a monopolistic supply system of live products from marketing boards on one hand and cheap American imports on the other.

"Since the fall of 1976, 50 million pounds of chickens have been imported as compared to 19 million pounds in 1975, eight million pounds in 1974 and two million pounds in 1973. The major food chains have imported these chicken at a price far below our cost price. Consequently, we have found ourselves in a loss position since then. If this trend continues we will be unable to meet our commitment to the bank with a result of closing down our operations, loss of jobs and so forth.

"In spite of our repeated submissions to government bodies, we feel all our recommendations have been completely disregarded.

"We are bitterly disappointed and feel that we must find a meaningful remedy as soon as possible in order to alleviate this urgent matter facing the industry. A. J. Vanderlaan."

I visited that plant and they have an exceptionally good operation there. As he says, they are competing.

When you look at the marketing boards in Ontario, you have to question whether they are there to favour a few big operators within the marketing system or whether local retailers are not buying all their goods—milk, poultry, eggs, whatever—through such a marketing agency.

We seem to have continual dumping of American farm products here in Ontario. I have known cases where, in the last couple of years, they have been bringing in truckloads of beef from the American side, from the port of Baltimore, into the province of Ontario. Apparently we have these supermarkets that are buying beef and chicken or whatever else it may be and not actually coming through a marketing board. I think if you want to have some control on marketing in Ontario, almost every chain store or distributor in the province must buy through a marketing agency.

I can talk about eggs. You can buy grade A eggs in the United States for 38 cents a dozen. When you look at the price of eggs here in Ontario, in comparison it is almost triple the cost.

Yet I find with almost all our farm commodities, the futures markets are based on the Chicago market. The grain here in Ontario is based pretty well on that. When you listen to persons in real estate, even our

lumber is based on the American market. Yet lumber is sold cheaper in the States than it is here in Canada.

Mr. Wildman: That is right.

Mr. Haggerty: Even housing is cheaper in the States, constructed housing, than it is in Ontario.

You can look at bacon, I was just looking at an ad here. This is from the Knob Hill Farms Food Terminal: bacon, 99 cents a pound, and they have a limit on it. Yet in the United States you can buy Swift's Premium Bacon for \$1.29 a pound, and other ads in the American papers quote bacon at 79 cents a pound. I don't know why there is that much of a spread in American food in certain areas.

I can relate this again, I suppose, to the matter of margarine. When you look at the price of margarine in the States, you can buy top-brand margarine for about 36 or 39 cents a pound. In some cases it is only 19 cents a pound. But I can tell you margarine in the province of Ontario is almost the price of butter today, \$1.15 or \$1.17 a pound.

An hon. member: Where, here?

Mr. Haggerty: Well, within a 10-cent price range. When margarine came on the market here, the consumer thought he was really getting something. When you look at the price of it today, it is a wonder that you have not looked into this matter before—the pricing of some of these food items that are being sold today in Ontario. I bring this to your attention. That is one particular thing here. But based upon the American futures commodity market there, I just cannot see why here is that much of a spread in certain items such as eggs and pork.

Hon. W. Newman: You have brought up four or five different points there. I don't know where to start. I guess you started off with your letter regarding the processing plant and the broilers—

Mr. Haggerty: Yes, that is right.

Hon. W. Newman: —and the problems they are having with cheap imports from the US at this point of time, and what that is doing to not only the processors, but also to the producers.

Mr. Haggerty: That is right.

Hon. W. Newman: If you were to look at it from when we started away back when, and I guess almost two years ago, shortly after I came into the ministry and you quoted the import figures; you have them there. We saw what was happening, because there is no way, if we are going to be honest and practical about the whole thing, that we can

compete with Georgia broilers, because Georgians don't have the heating problems, they don't have the housing problems, they don't have the labour costs. The minimum wage down there is something like \$1.20 to \$1.30 an hour, somewhere in that neighbourhood.

Mr. Haggerty: The minimum wage is down, but it is—

Hon. W. Newman: There are many factors.

Mr. Haggerty: That is right.

Hon. W. Newman: —so they can produce them more cheaply than we can here.

There have been studies on formula pricing for broilers. What we have been trying to do, and what we truly need in Canada, is a national broiler marketing plan which would allow the government of Canada to control the imports of broilers from the US, which are hurting a lot of our small processors, but more than that, are really hurting our producers. If we don't get a national plan in place soon, two years down the road we will not have a broiler industry left in the province of Ontario, or in Canada, as far as that is concerned.

What I have been fighting for and meeting for is a national broiler marketing plan, which was finally drawn up by Ottawa. We were the first province to sign that national marketing plan—the first. I signed it when I was in Vancouver last July.

Mr. Wildman: If it's July, it must be Vancouver.

Hon. W. Newman: We meet in a different province each year. We will be the host province two years from now. It was in Quebec City last year. We have our annual federal-provincial conference in Saskatchewan next year.

We need a national broiler plan. Nobody knows it more than I do. I realize the urgency of the matter. If we don't get one set up by the end of this year, there are going to be further complications because the national people had public hearings all across this country on broiler planning this past year. They're going to have to be up-dated some time next year. It may require even further hearings.

I'll tell you the broiler industry cannot stand it. At this point in time I can tell you there are processors buying broilers from Ontario—I don't want to mention any names—who are being very co-operative, who have taken gigantic losses. When their annual meetings come up, you'll see how much they have lost; in some cases it's millions of dollars. They cannot sustain these losses as

a matter of fact, they will go out of the broiler industry. The sooner we get a national plan in place with formula pricing, which will be done by P. S. Ross and Partners, who have already done work on that, the better.

Nobody is more concerned than I am about the broiler industry. For the benefit of that person who wrote to you and said the government has been doing nothing, I just want to point out to you that we have been working very hard.

Mr. Haggerty: He said "governments," he didn't say "the government of Ontario."

Hon. W. Newman: I can assure you I am very much concerned about the broiler industry.

Mr. Riddell: What is the present status of the national broiler plan?

Hon. W. Newman: The national broiler plan at the present time? I could be wrong, but I think all but three provinces have signed. Alberta has not signed; Manitoba has not signed; BC signed perhaps just in the last week or two. Newfoundland has not signed yet because it doesn't have a board, but there's no problem there because it is just getting into the business. I think there will be allowance made for Newfoundland to produce.

The big producers are Ontario and Quebec; they are the biggest ones. We have a serious problem because of the spinoff effects. Those broilers eat a lot of corn and other feeds that are grown here in the province of Ontario. You go back and tell your friend that we've had meetings with the processors, we've had meetings with the producers, and we are very much concerned about it.

I think probably if Manitoba signs up—I can't say for sure, I don't know what's going to happen to Ottawa, but Mr. Whelan has supported it and I have supported them all the way on a national broiler plan. That covers the broiler issue.

You mentioned beef from the US coming in by the truckload.

Mr. Haggerty: I'm not sure of this year, but I know last year it was coming in.

Hon. W. Newman: We have all the figures here. Let me give you an example, boxed cut beef. We're dealing on an old cents-per-pound tariff structure that was set up in the 1930s which is so antiquated it's not funny. Let me give you an example of boxed beef. A 50 pound box of beef can come into Canada from the US at a tariff of three cents a pound. If we want to export that same cut beef to the US, we pay a tariff of 10 per cent.

Supposing you're taking a 50-pound box of steaks at, say, \$2 or \$3 a pound, the tariff is 20 or 30 cents a pound. That's what I'm talking about when I talk about reciprocity; that's what I'm talking about when I talk about equity in the tariff structure as far as beef is concerned.

I think you also mentioned eggs. Six months ago, or a few months ago, what was the price of eggs? These are Stats Canada figures for eggs. In August they were an average of 95 cents a dozen in Canada in 14 cities. In the United States in 56 cities they were 82 cents. Is that right? Or am I misinterpreting those figures?

Mr. Huff: That's correct. There is an extra five cents in favour of Canada, because of the value of the dollar.

Hon. W. Newman: This would assume that the dollar was at parity. I am sorry. Let me talk about the eggs for a moment.

Mr. Haggerty: You are going back quite a way if you are talking about parity.

Hon. W. Newman: I am talking about the Canadian Egg Marketing Agency, when they went to form their pricing, set up by P. S. Ross and Partners. If we are going to have any continuity of egg supply in Canada, the farmers have to have a reasonable return on their investment, on their production. So they are a little high here right now. That's true, eggs may be higher than in the US. But what about six or eight months ago when the US price was way above Ontario price? You didn't hear anything about it then.

Mr. Haggerty: I never heard about egg being that high in the States—never. I don't think they've ever been this high. Butter is 77 cents a pound in the States. You can buy it at that price in the stores over there. You're looking at about a 40-cent spread.

Hon. W. Newman: In August butter was \$1.35 in the United States, in 56 cities, and in Canada it was \$1.28 in 14 cities.

Staying with eggs for a moment, while the prices are a way up in the States, we don't hear anything about the fairly steady price of eggs in Canada. We don't hear too much complaint when the price of eggs goes down—was it two cents a dozen recently? But eggs are at a fairly steady price, which is an advantage to consumers as well as producers.

Mr. Haggerty: The information I get is that the larger supermarkets are buying eggs in the States at, you might say, a dumping price and then selling them at almost the same price as what the eggs in Ontario at

worth. They are increasing their profit this way.

Hon. W. Newman: There is a border control on eggs now. They can only come in by import permit from the Department of Industry, Trade and Commerce if there is a shortage of a certain grade of egg. They have to have an import permit from the Department of Industry, Trade and Commerce in Ottawa. They can't bring them in without it.

Mr. Haggerty: I don't want to get into that, but I understand they are getting around that.

Hon. W. Newman: I don't know how they are doing it. They are not doing it legally because they have to have an import permit from Industry, Trade and Commerce in Ottawa before they can bring eggs in. They have to have a permit.

If you are saying that there are some botleg eggs coming into the province of Ontario, then I would appreciate it if you could let us know who you think is doing—not here, necessarily. We will certainly get in touch with the federal authorities, and with CEMA, the Canadian Egg Marketing Agency, and have them look into it, because they are not allowed to bring them in without a permit signed by Industry, Trade and Commerce.

You also mentioned bacon at various prices. There are different qualities and types of bacon. You said that one of the prices was 99 cents?

Mr. Haggerty: That's at the Food Terminal, yes.

Hon. W. Newman: Was that recently?

Mr. Haggerty: Just November 18.

Hon. W. Newman: It could be a loss leader, somebody selling under cost to draw people into the store. I don't know exactly.

However, quality is a factor in bacon. As you know, our pork is a leaner kind of pork than in the US. It is better quality and therefore might cost a little more than in the US. We don't have nearly as much fat in it as the US pork. Quality and many other factors must be taken into consideration. Sure, the chain stores can charge variable prices.

Mr. Haggerty: Even in the United States they are having difficulties in marketing their farm products. Beef is a serious problem over there right now, and yet they are importing beef into the States, and perhaps into Canada again, too. The question is, are they dumping? That's what I want to know.

Hon. W. Newman: We export to the US.

You are asking if they are dumping it on our market?

Mr. Haggerty: That's right. That's always the question.

Hon. W. Newman: It comes right back to the discussions we had in this committee in the last few days. We had exactly the same discussion. I talked about Australian beef and other beef and I said that we should have a strong beef import law. I will go into detail if you want me to, but we covered it the other day.

We will bring forward a tough beef import law which will set specific quotas for specific countries coming into Canada. This will give them a firm handle on it and it won't be voluntary as it is now, especially with oceanic beef. There are voluntary import quotas at this point in time, but that does not mean that beef cannot try to find its way in. What we need is a tough beef import law and I think we are going to get it, at least according to what Mr. Whelan said in his speech three or four weeks ago. I give him credit for it.

Mr. Haggerty: Is your ministry making any checks on the border crossings to find out what farm products are coming across?

Hon. W. Newman: That is all up to the federal government. If a problem arises, we contact the federal authorities, as we have from time to time. When we are notified that something is happening, we contact the federal authorities.

Mr. Riddell: Are you optimistic that we will end up with a fairly equitable tariff structure when the GATT negotiations are completed?

Hon. W. Newman: I wish I knew, but all I can say is that we have made every effort, and I know all the farm organizations have, including the various federations—the Christian Farmers' Federation, the National Farmers' Union. The commodity boards and the farm organizations have also made a concerted effort along with the ministry. We have made a concerted effort to put our case forward.

Mr. Riddell: Who speaks for agriculture in Ontario, or in Canada for that matter, at GATT?

Hon. W. Newman: Mr. Grey and Mr. Jake Warren, both from Ottawa, are the negotiators in Geneva at the GATT negotiations.

Mr. Riddell: Herb Gray?

Hon. W. Newman: Rodney Grey.

Mr. Riddell: Herb Gray is pretty much consumer-oriented, I think.

Mr. Haggerty: The minister has covered the area, but I am not quite sold on the answers he has been giving me. But we will continue it.

The minister will recall back in 1968, there was a special meeting called in the Macdonald block concerning the amendments to the Milk Act of 1965. I think there were amendments in early 1968.

Hon. W. Newman: I would have trouble remembering the details that far back. Ken McEwen is here and Mr. Gallant is here, who was the lawyer at that time. We are going back to 1968 with an amendment to a 1965 Act.

Mr. Haggerty: I raised the question because of a milk producer in my area, Augustine's Farm Dairy in Port Colborne. He is the producer, I guess, processor and distributor. It is a family operation. They have a number of milking cattle or cows that go from the barn to processing and into distributing. Recently they added another store to their operations on Highway 3; they have one on Killaly Street which is about a half a mile away, but it covers two sections of the city, you might say.

This past week they received another threatening letter from the milk commission here, from the secretary, stating that if they did not comply with the regulations, they would have to cease their operations. They have been threatened with this practice by the milk commission since about 1968.

That meeting was called particularly because the matter was raised by myself and the former member for Sudbury, Elmer Sopha, who did an excellent job in the Legislature putting forth arguments as to why he should be able to continue operating as a processor, producer and distributor. Apparently one of the arguments put forth was that this farmer was carrying on a business before the Milk Act of 1965 came into force. He thought that under those terms he should be permitted to continue.

Those hearings were held in the Macdonald Block and I can remember when the matter was raised, the Minister of Agriculture at that time, Mr. Stewart, said, "The amendments to the Milk Act will have no bearing on the operations of this particular farmer." He said he was operating before the Milk Act came into force and he should be allowed to continue under those terms and conditions.

All of a sudden he gets another letter from the milk commission threatening him if he didn't comply to the Milk Act that he would have to cease operations. He runs an excel-

lent dairy operation, has a good processing plant, clean, meets all the requirements of the board of health. In fact he sells milk for about two cents a quart less than anybody else in the area.

I think one of the main complaints is from a firm that has the monopoly in the Peninsula. I am talking about Beatrice Foods (Ontario) Limited. Their headquarters is in Kingston. It's an American firm. Since he's opened this other outlet, I think that a little pressure is being applied now through the back door stating that he cannot continue in this type of an operation.

I want to know what your position is in this matter.

Hon. W. Newman: As you know, the Augustine case is a very famous case which I am somewhat familiar with. All milk in the province is supposed to be sold through the Ontario Milk Marketing Board. If he's licensed as a producer and a processor both—I may be wrong and I stand to be corrected—but as a producer his milk would have to be deemed to have been sold to the board and bought as a processor for selling it. Is that a fair statement?

Mr. Haggerty: What you are asking him to do is to pay this tariff. This is what it is. It's actually a tariff.

Hon. W. Newman: He is no different from the case we were talking about in eastern Ontario, where he is bypassing the system we have set up for every other producer and processor in this province.

Mr. Haggerty: But at this particular meeting the minister said the Act would not apply to this person because his business was existing before.

Hon. W. Newman: Well, maybe I—

Mr. Haggerty: I have to disagree with you because I was there.

Hon. W. Newman: May I suggest—

Mr. Haggerty: You could probably get the tapes and you can go back and you will find it in there.

Hon. W. Newman: May I suggest, Mr. Chairman, when an Act is passed there is no retroactivity. At this point in time, Augustine I believe—and I am going to ask Mr. Gallant to comment as a lawyer because it's a very tricky legal situation—but I don't think he is operating within the law. It is a highly legal technical question, and I think I would ask Frank Gallant as director of our legal services branch to comment on this.

Mr. Gallant: The meeting that comes to my mind was the meeting in the Macdonald

Block when the 1968 milk bill was being introduced.

Mr. Haggerty: That was to plug the loopholes in it.

Mr. Gallant: Yes, it was to ratify certain findings made, I believe, in the Channel Islands case but at the same time the Brant Dairy case was in progress.

Mr. Haggerty: No, the Channel Islands case dealt with a particular type of cattle, not distributors and processors.

Mr. Gallant: The same regulations were involved.

Mr. Haggerty: I would have to disagree with that. I am not a lawyer but we can disagree.

Mr. Gallant: At that time there was a large meeting of what I think would be the agriculture committee in the Macdonald Block and Charlie Dubin who was counsel for the milk commission in both the Channel Islands case and the Brant Dairy case spoke to the amendment. Is that the meeting you are thinking of?

Mr. Haggerty: That's probably right. I can't just recall who the—I know the matter was raised about the Channel Islands breeders—

Mr. Gallant: I can recall no statement by Mr. Stewart or by Mr. Dubin that the legislation, either as it was or as it was to be amended, would not apply to the producer-processors after or depending upon the decision of the court. If the court in the Brant Dairy case ruled that the producer-processor was outside the marketing plan, that was yet to be determined. But if the courts upheld the legislation, and they did uphold the legislation—

10:15]

Mr. Haggerty: That is the amendments you are talking about now.

Mr. Gallant: No.

Mr. Haggerty: Yes, the amendments. You are talking about the amendments, because the decision on that case did not come down until about 1972 or something like that.

Mr. Gallant: There was no amendment—

Mr. Haggerty: Yes, there was an amendment in 1968.

Mr. Gallant: —that governed producer-processors. This means producer-processors—

Mr. Haggerty: That is what I said. It was wide open before. That is right. That is why the amendments came in 1968.

Mr. Gallant: —the amendment on sections 1 and 12 of the Milk Act as it was passed

in 1965. The Augustine Dairy, the Brant Dairy and two others were claiming that they were exempted from the marketing plan by the provisions of sections 11 and 12 of the Milk Act, as it then was.

The amendments being processed in 1968 arose out of the Channel Islands case. This was to the effect that decisions of the marketing board were wrongly filed as regulations. If I am thinking of the same bill you are, one of the amendments was to ratify those regulations. We did not agree with the court at that time because the Regulations Act provides that any decision of a legislative nature must be filed in order to take effect under the Regulations Act, not under the Milk Act.

I am trying to think what other amendments were made in 1968—

Mr. Haggerty: There were amendments made in 1968 to plug the loopholes in the 1965 bill. This was to put a stop to the producer-processor and distributor. I can remember asking the minister at that time whether this would have any affect on his operations. Would he be able to continue? He said that yes, he would be able to continue, but anybody who followed after that, no. The same thing applies almost to the Planning Act—where an existing business is operating previous to the official plan that comes into the municipality, that person is allowed to operate.

There are sections under the Municipal Act that allow a farmer to produce and sell his goods in a city or in that municipality without having—You can have all the bylaws that you want but he is allowed, as long as he grows it, processes it on his own farm, to do that.

Mr. Gallant: But the situation—

Hon. W. Newman: I am not that familiar with the amendments of 1968 amending the 1965 Milk Act. It was passed before I was even here. I guess you were here at the time.

Mr. Haggerty: No, I was not here at the time. But I can remember the debate in the House and I said that Mr. Sopha did an excellent job, because he got the minister jumping over there. They had to bring in the amendments to plug the loophole. By plugging the loophole now, you send out the letters saying that this man has to cease operations. That is wrong.

Mr. Gallant: There is no "plugging of the loophole."

Mr. Haggerty: Certainly. That is why you had the amendments.

Hon. W. Newman: In 1968?

Mr. Haggerty: In 1968, to plug up the—

Hon. W. Newman: If the amendments in 1968 were plugged by provincial legislation, then I would assume that this operation was operating outside of the law.

Mr. Haggerty: No. He was operating inside the law. Now he is operating outside under that amendment of 1968.

Hon. W. Newman: Right.

Mr. Haggerty: But that is where the minister said that this would have no bearing on his operations—that he would be able to continue. Do you have the tapes still?

Hon. W. Newman: Was this done at a recorded meeting? Would it be in Hansard?

Mr. Haggerty: Certainly it would be in a recorded meeting.

Hon. W. Newman: Can I ask somebody to go back to 1968? Quite obviously the staff don't recall and I was just a fledgling member at that time.

Mr. Haggerty: That was a direct question I put to the minister and he assured me that these amendments would have nothing to do with his operations. He would be able to continue.

Hon. W. Newman: Can we check that out, Ray? I cannot—

Mr. Haggerty: You can check it out.

Hon. W. Newman: We will check and get an answer for you.

Mr. Haggerty: Because, again, here is the monopoly in the system. It is a form of marketing. You are playing into the hands of the large industry.

Hon. W. Newman: No. What would happen if one of our large dairies did the same thing? If another large dairy did the same thing, it would destroy a whole milk marketing plan that is working very well in this province, at this point in time.

Mr. Haggerty: I agree that it is. Certainly it is.

Hon. W. Newman: I don't want to see that marketing plan destroyed. But there is nothing to stop any other group, if what you are saying is right, that was in business prior to 1968 from going ahead now. Is that what you are saying?

Mr. Haggerty: Pardon?

Hon. W. Newman: Are you saying that any dairy operation that was in place prior to 1968?

Mr. Haggerty: I think they should be able to continue operating as they were.

Hon. W. Newman: So what you're saying in effect is that if Silverwood Dairy or whoever it may be had enough producers supply-

ing the milk, which they supposedly own, they could destroy the whole marketing system.

Mr. Haggerty: If it was a producer and distributor.

Hon. W. Newman: Well, let's ask Frank?

Mr. Riddell: Well, I hope that's not the case or this Bill 102 and 103 that we're going to be debating will still be letting those people operate who were operating before the bill came in.

Hon. W. Newman: It's a very similar case to the one we're talking about and why we brought an amendment forward now.

Mr. Gallant: Mr. Newman, perhaps I might make two comments.

Any commitment made by the then Minister of Agriculture and Food was to the effect that nothing would be done with the producer-processors involved in the Brant Dairy case, as we call it, until the court decision came down. In other words, during the time that the matter was in litigation, they carried on in business as they were. When the court decision came down it found that under section 12 of the Milk Act—or section 11 because they are identical sections: one covers processors and the other, distributors—Brant Dairy, as a producer, had to sell its milk to the Milk Marketing Board and as a processor buy it from the Milk Marketing Board.

When the case reached the Supreme Court of Canada the Augustine's Farm Dairy had been dropped out of it by their own lawyer who had come to the conclusion during the examination for discovery that they were not truly producer-distributors. As soon as the Supreme Court of Canada ruled, the Milk Marketing Board and the Milk Commission immediately then—

Mr. Haggerty: How could he say it's not a producer—

Mr. Gallant: —that was their lawyer's finding. And they were dropped from the case. They were not a party to the action when it reached the Supreme Court of Canada.

The legislation now in progress does not affect the producer-processor if that is the status of Augustine's Farm Dairy or Brant Dairy. That was already covered by subsection 2 of section 11 and 12 of the Milk Act; the change being made in the Milk Act covers a case arising out of the Eastern Ontario Vegetable Growers' Co-operative case, but no such situation has come to the attention of the milk commission of any producer whose product was processed under the conditions that existed in the Eastern Co-op case.

There is no connection between the present amendment to the Milk Act and the Augustine's situation. It is not an attempt to cover them. They were covered already by sections 11 and 12 of the Milk Act.

All that happened during the litigation was the declaration by the Supreme Court of Canada, by all the courts, that as producers and processors, they were bound to market their milk through the milk marketing board. Every producer-processor except Augustine's came into line after that decision came down.

Mr. Haggerty: All I know is that what Mr. Stewart said to me in reply to my question was that this would have no bearing upon Mr. Augustine's operation. He would be able to continue but in anything else that happens after that, the law would automatically have to be applied.

Hon. W. Newman: He's not going to be put out of business.

Mr. Haggerty: I hope not.

Hon. W. Newman: He can still comply with the present Act without going out of business; as it stands today.

Mr. Haggerty: Do you know what it's going to cost him? He's got a family operation with two sons involved. I wouldn't want to mention the cost but it will be pretty expensive for him. It's difficult enough now making ends meet in any farming operation without putting another tax on a farm that is—

Hon. W. Newman: What sort of tax are you talking about?

Mr. Haggerty: What they want him to do is market his milk through the Milk Marketing Board and pay whatever the cost is, so much per pound.

Hon. W. Newman: Every other producer of this province pays the board licence fee but him. Are you saying he should be exempted from paying a board licence fee—

Mr. Haggerty: Yes, I am.

Hon. W. Newman: —while every other producer pays it?

Mr. Haggerty: That's right, according to what the minister said.

Hon. W. Newman: Do you agree with that principle? That every producer in this province is paying a board licence fee but he shouldn't have to? Is that what you're saying?

Mr. Haggerty: He's not asking the Milk Marketing Board for any services. That's the whole thing. There is no need for him to do it. One of the tariff charges is to pay

for the services of a high salaried staff at the Milk Marketing Board.

Hon. W. Newman: I can also say he takes advantage of the approved price increases that are passed on to the distributor, does he not? Which is worked out by—

Mr. Haggerty: He's selling milk cheaper than any other distributor in the area. I think that's the whole problem.

Hon. W. Newman: No, we're—

Mr. Haggerty: Yes, when you get a monopoly in an industry and they want everything under their control, they'll put the pressure on.

Hon. W. Newman: There's no monopoly because other dairies can move in with their modern equipment.

Mr. Haggerty: The only other dairy in the area is Sunnyside Dairy, property of the mayor of Welland, Allan Pietz.

Hon. W. Newman: Yes, but there is no way that Augustine can be put out of his authorized duty to pay the Milk Marketing Board cost like any other producer in his province. You're saying he should be treated differently from every other producer in this province.

Mr. Haggerty: But he's not going through the Milk Marketing Board for any services at all.

Hon. W. Newman: By not going through the Milk Marketing Board, he is breaking the law.

Mr. Haggerty: No, I would have to disagree with you. Based on the amendment to that Act, he was to be permitted to continue operations without going through the Board.

Hon. W. Newman: Whatever the minister said, there is an Act in place which says all milk must be sold to the board.

Mr. Haggerty: Not necessarily. Before they plugged the loophole in the legislation with the amendment, they could. Now everyone has to go through it. That's right.

Hon. W. Newman: Everybody has to, except him. Is that what you're saying?

Mr. Haggerty: Well, he was there before the Milk Marketing Board, wasn't he?

Mr. Wildman: So he was, and so were a lot of other people.

Hon. W. Newman: Let me check back to see what the minister did say.

Mr. Haggerty: I hope you can, because I'm sure that's what he said.

Hon. W. Newman: I think we can find

that in the Hansard. It would have been recorded, I assume, at that point in time.

Mr. Gaunt: I think it was an agriculture committee meeting.

(Hon. W. Newman: Was it recorded?)

Mr. Gaunt: I don't think so. I would doubt if it was.

Mr. Haggerty: Well, it was on tape. It was in the Macdonald Block and they had taped it.

Mr. Gaunt: I doubt very much if those tapes are still around. I know they had a console there and they were recorded but not printed, to my knowledge.

Mr. Haggerty: Another matter brought to my attention relates to industrial milk. Many cheese processing firms in Ontario have been asking for an increased supply of industrial milk and are having difficulty getting it. Why would that be?

Hon. W. Newman: I went through this the other night but if I can summarize it very quickly, I will.

Mr. Haggerty: You've got two minutes.

Hon. W. Newman: The Industrial Milk program is for all of Canada. It is run by the Canadian Dairy Milk Commission and subject to the government of Canada's decisions. Based on average production, the National Supply Management Committee deals with the allocation of industrial milk. Each province is allocated so many hundredweight of milk—the total requirement for Canada this year is 97 million hundredweight, but they also have what they call an in-sleeve production which will allow them to go up to 133 million hundredweight; the target is 97 million hundredweight. Ontario's share is 33.134 million hundredweight, which has been allocated to the producers of the province of Ontario. There are processors who, up until recently, had plenty of milk and lots of commodity. They are running out of quota. They have plant supply quotas as well as producers have quotas.

Mr. McKessock: The producer quota equals the plant quota. Is that correct?

[10:30]

Hon. W. Newman: Not necessarily. Each plant has a different quota.

Mr. G. I. Miller: How many pounds of industrial milk did we have allocated when the milk board came in?

Hon. W. Newman: Do you mean what did we have when the national industrial milk program came in? I can't tell you that off hand but I'll tell you what happened. One of the problems is that each year it was based on the production of that particular province.

Mr. G. I. Miller: We lost.

Hon. W. Newman: That's right; away back we did. Under the former minister the industrial milk production incentive program was brought in to stimulate production. We did bring up production very rapidly in order that we would not lose quota—we had lost some originally—to any other provinces. Now it says here: "Quotas to plants are based on cheddar cheese, butter and powder only," but there are plants that don't have industrial milk to meet their domestic needs.

Mr. G. I. Miller: Because we lost it when we originally incorporated?

Hon. W. Newman: Yes.

Mr. G. I. Miller: They stimulated their producers but we didn't and we lost it to them.

Hon. W. Newman: We lost some production in the 1969-70 era. In the last two years it's been a problem but I think the whole national supply management program, which has been working fairly well up to 1976, should be looked at again. Certainly, I feel very strongly that the whole allocation of MSQs should be looked at, keeping in mind it's a national plan.

Mr. Chairman: It's 10:32, gentlemen. I think we'd better adjourn until Wednesday morning at 10 o'clock. Mr. Haggerty, are you all through or will you be continuing?

Mr. Haggerty: I just want to look into that grandfather clause.

Hon. W. Newman: We'll try to see if we can find something on that.

The committee adjourned at 10:32 p.m.

CONTENTS

Monday, November 21, 1977

Rural Development Program	R-863
Agricultural Marketing Program	R-880
Adjournment	R-893

SPEAKERS IN THIS ISSUE

Mousall, E. J. (Windsor-Sandwich NDP)
 Maunt, M. (Huron-Bruce L)
 Maggerty, R. (Erie L)
 Lavrot, E.; Chairman (Timiskaming PC)
 MacDonald, D. C. (York South NDP)
 McKessock, R. (Grey L)
 McNeil, R. K. (Elgin PC)
 Miller, G. I. (Haldimand-Norfolk L)
 Newman, Hon. W.; Minister of Agriculture and Food (Durham-York PC)
 Nixon, R. F. (Brant-Oxford-Norfolk L)
 Siddell, J. (Huron-Middlesex L)
 Huston, R. F. (Essex North L)
 Wildman, B. (Algoma NDP)

Ministry of Agriculture and Food officials taking part:
 Bennett, R. G. Deputy Minister
 Brown, H. F., Director, Rural Development Branch
 Allant, F. F., Director, Legal Branch
 Huff, M. A., Vice-Chairman, Ontario Food Council
 Trauter, J. H., Director, Rural Employment Incentives Program
 Eennie, Dr. J. C., Executive Director, Education, Research and Special Services Division



No. R-34

Legislature of Ontario Debates

Official Report (Hansard) Daily Edition

Resources Development Committee

Estimates, Ministry of Agriculture and Food



First Session, 31st Parliament

Wednesday, November 23, 1977

Speaker: Honourable John E. Stokes

Clerk: Roderick Lewis, QC

CONTENTS

A list of the speakers taking part in the debates in this issue of Hansard appears, in alphabetical order, at the back of this issue.

Daily contents of proceedings also appears at the back of this issue. Reference to cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff. Phone 965-2159.

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LEGISLATURE OF ONTARIO

WEDNESDAY, NOVEMBER 23, 1977

The committee met at 10:10 a.m.

ESTIMATES, MINISTRY, OF AGRICULTURE AND FOOD (continued)

On vote 1804, agricultural marketing program:

Mr. Riddell: I'm more than a little concerned about the situation which prevails in the dairy industry at the present time. Over the last week it's been reported that 300 of our milk producers have now produced to the maximum of their quota and are being penalized \$7 per hundredweight for all the milk they're producing from here on in.

It's also been reported that by before the beginning of the new year there will be somewhere in the neighbourhood of 1,000 milk producers who have produced to the maximum of their quota. I really don't know what the answer is but I can put forth a suggestion or two. These 300 producers—or 1,000 producers before the beginning of the year—consist of many young people who have made a large capital investment to get into the business. They've produced all the quota they can at the present time and for any milk they are selling now, they're getting in the neighbourhood of \$1 to \$1.50 per hundredweight, which isn't going to help them to pay back their principal, interest and input costs.

The market share quota is now reported to be in the neighbourhood of 13 cents. I know a farmer who the other day turned down 10 cents per pound for his market share quota. He said, "Heavens, this thing is going to go to 15 cents yet or even higher." That means that young person is not going to be able to acquire more quota. The person who is going to end up with that quota is the large producer who has been in business for a period of time and can afford to pay the high price for quota.

I'm wondering if the Milk Marketing Board shouldn't be putting a freeze on the sales of these quotas or establishing a maximum price of three cents a pound and then taking over the control of the quotas and allocating them to the producers on much the same basis as they did last year, where it took into consideration hardship cases and tried to dis-

tribute that quota to help the person out who was in greatest need.

[10:15]

I offer that as a suggestion. I don't know whether it's the answer or not. It might get us into more trouble than we are in at the present time but we have got to do something to help out this new or small producer. The plain fact of the matter is he simply cannot afford to buy this quota at 13 or 15 cents a pound. I am just wondering if you have any comments as to how we might overcome this problem. I foresee it as being a short-term type of thing. I have a feeling there will probably be lots of quota available in the new year.

If we could tell our producers not to be paying this high price but to hold back, the price of these quotas might come down. When they are being penalized \$7 a hundredweight, they are going to do all in their power to acquire the quota that is selling at the high price. Here again it's going to be the large, well-established producer that ends up with the quota and the small producer or the chap that has just got into the business isn't going to have a chance. Do you think the Milk Marketing Board should be stepping in and, even if it's on a temporary basis, controlling the selling of this quota and allocating it, as it did a year ago, to those in greatest need?

I really haven't got a great deal of sympathy for the producer who knew full well he had a quota to meet and just went ahead and produced over top of that quota, hoping somebody would bail him out. Maybe it sounds as if I'm talking out of the two sides of my mouth. I know the producers are in trouble. Yet, on the other hand, the producers knew full well they had a certain quota and should have endeavoured to stay within that quota, but produced and some of them are in trouble.

I have a feeling some of these 300 producers now, or some of the 1,000 producers before the end of the year, are simply going to have to sell out. They are not going to be able to continue to operate. I am wondering if there is any way the Milk Marketing Board or this government can help out over this rough period of time.

Hon. W. Newman: I was talking to Mr. Villeneuve last night about this same problem. He was asking me about it. I assume that's what his question is going to be about too. Let me just explain to you what has been happening here. We are aware of the situation. We have monthly milk production figures for Ontario right up to date and we know exactly what's happening, what percentage of the quotas have been used, those who have used up their quota and those who don't have quotas.

There are two or three things I am concerned about also and I said this publicly to the National Milk Supply Management Committee the other day. I don't think you were here when I mentioned that. I am going to be meeting with the Milk Marketing Board on Friday morning. I will not be at question period but I will be back for my estimates. I am meeting with them and with the Amish people on Friday morning at 9.30. I have asked for a further meeting with the Milk Marketing Board to discuss just what we are talking about here.

Unfortunately, I don't know if we are going to have enough time—because I am going to have to be back here for estimates on Friday morning—to deal with this matter. What I have said is we are going to do a cost-benefit analysis of the total milk production in the province of Ontario. I am going to suggest to the Milk Marketing Board that maybe they, as well as the Ontario Dairy Commission, might want to get involved in this total study because the processors in many cases don't have enough milk to supply their needs.

I also spoke to the National Milk Supply Management Committee which met in Toronto last Thursday and Friday. They had a luncheon and I went down and talked briefly to the National Milk Supply Management Committee. I pointed out to them that I think the whole national supply management program should be looked at. For this reason I pointed out that it's pretty hard for me to explain—whether it's eastern Ontario, western Ontario or anywhere else in Ontario—that we have processors who need milk to fulfil their commitment. There are producers who have shipped their total quota or close to it. In many cases milk is coming into Ontario from other provinces—within their quota, mind you—

Mr. MacDonald: What do you mean when you say "fulfil their commitment"? Do you mean to say they have firm sales?

Hon. W. Newman: Yes, the processors.

Mr. MacDonald: Or is it that they have

excess capacity, but some of them also actually have sales for the commodities and don't have the milk from MSQ that's supplied in the province of Ontario. You've got to remember this is a national program. The total allocation for Canada this year is 97 million hundredweight. There is a sleeve allowed for five million hundredweight—from 97 million to 102 million—something like that.

Mr. Riddell: Ontario has about a third of that.

Hon. W. Newman: We have 33 million hundredweight of milk. Under the IMPIP program we were not self-sufficient. It has not happened in the last two years but what we would do at one time was, if a province did not fulfil its commitment—going back three or four years—

Mr. Riddell: Before you go any further have you any idea how much we actually lost because we weren't fulfilling our commitment?

Hon. W. Newman: It goes back prior to my time, but it was about 2.3 million hundredweight. The only year we lost any quota was 1974-75 when we lost 2.3 million hundredweight.

Mr. Riddell: Do you not feel the provincial government was maybe a wee bit negligent here in that they didn't come in with a program sooner than they did in order to make sure we met our provincial allotment? I mean, we gave up 2.3 million hundredweight.

Hon. W. Newman: By the same token I have to admire the former minister for bringing in the program which stimulated milk production fairly quickly.

Mr. Riddell: Although it was a little too late, yes.

Hon. W. Newman: Apparently the program was in place even before we lost the quota in 1974-75. It took them a while to gear up, I guess. The program was in place in 1973, so it was in place before we lost any quota.

Mr. MacDonald: There's another part of the scenario that shouldn't be forgotten. I've forgotten how late it was in which we were saying we had too much milk and we had to cut back. At the beginning of 1973 we had too much milk, but by the end of 1973 we were going to be short. Somewhere back there is where the crystal ball got awfully befogged.

Hon. W. Newman: Yes, let's talk about it for a little while. In 1976, we were aware,

because of figures we had in our office, that the national need was 95 million hundredweight and we were anticipating that the national allocation needed to look after the domestic market was not going to be met. As a result of that we went to Ottawa and after lengthy discussions—for several months actually—we put up a provincial bond to get four million hundredweight of milk put in the system. This did a great deal to help in 1976, because the cutback was far too severe and too fast—and all my statements are there to back it up.

But let's look at the present problem we're faced with. That is what concerns me. The National Milk Supply Management Committee makes out a total allocation. Each province has its own allocation. I'm not picking any particular problem, but some provinces are able to ship some of their milk interprovincially because they have the quota allocation in their province.

What I'm saying is that the whole thing should be looked at. How can I tell a farmer in any part of this province as the Canadian Dairy Commission does—and I agree with you that some farmers just went recklessly ahead and produced and I really don't have that much sympathy for them—but how can you tell a farmer that he can't ship any more milk when a processor needs the milk?

That's why I'm saying that the whole national supply management program should be looked at from that point of view. That's why we want to do a cost/benefit analysis in detail. The board doesn't know this yet but that's what I intend to talk to them about—and also to pursue it at the federal level. I am concerned about the whole national supply management program.

In Ontario, we have not tendered to the Canadian Dairy Commission—I believe I'm safe in saying—one pound of butter or one pound of powder in the last three months. I think I can probably verify those figures. So we are not creating the tremendous surplus of butter and powder that it's costing the federal government a lot of money to export. We never have, really. In 1976 we didn't. So there is something wrong, in my books, with the national supply management program.

Mr. MacDonald: What other commitments to the processors have that they can't fulfil? Is it's not butter then what is it?

Hon. W. Newman: Cheese, mainly cheese.

Mr. MacDonald: It's mainly cheese, is it?

Hon. W. Newman: But the thing is, if they're getting milk—and I'm not objecting to them getting milk—they need the milk to

meet their commitments, and they are getting milk but it's coming in from other areas—and apparently sweet butter and ice cream mix—but they are getting their milk. Certainly, I think the Ontario producers should be allowed to supply that milk. I feel very strongly about it—

Mr. Riddell: But you say they are getting the milk. Are they getting it from outside the province?

Hon. W. Newman: Out of the province, right?

Mr. Riddell: Gee, there is something awfully wrong here.

Hon. W. Newman: We've talked about this to the Canadian Dairy Commission and we are getting very disturbed about it. We're asking them to look at the total picture, because I just don't think Ontario is being given a fair shake in the national dairy program.

I can go back to the fee that was put on the fluid milk this year of 25 cents per hundred weight. We've said as a province to Ottawa: "You want \$13.2 million. You allocate it on the basis of industrial milk because that's where your surplus is building up. Let the Ontario Milk Marketing Board decide how that will be levied." Ottawa has interfered with the provincial marketing scheme, as far as I'm concerned, by unilaterally deducting 25 cents from the MSQ as pro-rated on fluid milk to those of the number one pool. I feel that is wrong and we're still at loggerheads on this. We say we owe only \$3.8 million of the \$13.2 million. They are going to collect \$5.8 million from Ontario. We have strongly objected to this. They are deducting it at Ottawa so we can't stop that. I think that's wrong.

If they had said to Ontario, "You owe us \$3.8 million," something would have been worked out, whether it was a fluid levy or not. But they unilaterally made a decision on that at the Canadian Dairy Commission level. So all these things fit into the area.

Another thing you were talking about was the quota and the price under the quota. The marketing board has the fluid quota under its control. They had the MSQ under their control but they let it go. I think it was last April they let it go on the open market. It started out at about two and one-half cents a pound and now it's gone up to 10 cents or more.

Mr. MacDonald: Eighteen cents.

Hon. W. Newman: Whatever it may be, I'm just saying—

Mr. MacDonald: The highest this past week has been 18 cents.

Hon. W. Newman: I just say, advisedly, that what happened last year was a lending program. There is a lending program this year, but last year's program was much more effective because of the extra four million hundredweight that was put into the system and farmers were able to borrow MSQs from other farmers. Mind you, this lending program is over and above the objections of the Canadian Dairy Commission. They didn't want us to do that in the province. But, unfortunately, because of the year we've had in the production of milk, there is not that much quota to be lent—even on a temporary basis.

Now that we're getting into December, there may be a little more of loosening up—where somebody realizes they're not going to ship their total allocation they can lend it to their neighbour or whomever they want to lend it to. But I'm afraid the reason the lending program is not working this year as well as last is that there just wasn't that much quota around.

A lot of farmers went out last April and May and bought quota, and they plan to fulfil that quota. But they're not going to have the lending potential for that quota this year and that's going to create some problems.

[10:30]

Should the board control MSQ quotas? I talked to the chairman of the Milk Marketing Board about that. At 10 cents a pound—somebody gave me that figure—it works out to about \$36 a hundredweight for MSQ. I talked to the board about it and suggested that they should look very seriously at this. I will be discussing it further with them when I meet with them; I'll do this as soon as possible, but I will only have an hour and a half on Friday, and most of that time will be taken up, I think, with the Amish.

Mr. Riddell: The board does not feel that you can pay over seven or eight cents a pound for this.

Hon. W. Newman: Who said it should be over seven or eight?

Mr. Riddell: I said the board doesn't feel the farmer can pay over seven or eight cents a pound.

Hon. W. Newman: I think it should be somewhere between four and five cents.

Mr. Riddell: I really don't think we should permit the speculation in quotas and that's exactly what is happening.

Mr. MacDonald: You made the comment earlier that you thought there might be a lot available in January and it's only a temporary problem. I was curious as to why you thought that or whether—

Hon. W. Newman: You mean April 1, the dairy year, don't you?

Mr. Riddell: Yes. The beginning of the dairy year. I think there will be quota available. I think the problem we are facing now is of a temporary nature, and the producers are holding back quota thinking they are going to get this big price. I don't think the producers are going to pay it. This means the price will come down and I have a feeling there is going to be quota available at the beginning of the dairy year. I am just surmising—

Hon. W. Newman: I think, on the basis of what you are saying, it's because a lot of the tension is going out of who has shipped his total quota allocation for this year. Many of those have already sold next year's quota, starting next April 1, right now. People are buying quota now for next April 1, so I am not sure there is going to be that great a quantity of quota available even come April 1. If a fellow shipped his total allocation and then had gone out of the dairy business, he has still got his quota because he shipped a total allocation. He would get it again as of April 1. A lot of that quota has already been sold.

Mr. Riddell: I also feel that a lot of these producers who are in trouble now—these 300 or the 1,000 before the beginning of the year—there is no question in my mind some of them are going to be forced right of the business. Then that quota is going to become available. I just don't see how they can stay in the business when they produced all the quota they can and now they are getting \$1 to \$1.50.

Mr. MacDonald: I think it's going to be 1,300 by January 1. It's 1,000 more.

Mr. Riddell: How many of those are going to be able to stay in business?

Mr. MacDonald: That is 10 per cent of your producers.

Hon. W. Newman: We had the same problem last year. The lending program did help and I think we will probably get a better handle on the lending program maybe by January 1. Many farmers are reluctant to give up any of their quota right now because they do not know exactly what their total shipments are going to be. But now the cattle are in, in many cases they have some pretty poor quality feed and if they drop off

they may decide they are not going to fulfil the quota.

I can't guarantee that. I do not know what they are lending because some of the farmers at this point in time are saying, "I'm not going to lend any of my quota until I know exactly where I am going to come out at March 31." We had the same situation last year. The only reason it is worse this year is a lot of farmers, in anticipation of building their herds and making the herds larger, bought quota earlier on. So they are not going to be so hard-headed as some of those who laid back hoping they would be able to borrow quota like they did last year. But they are not going to be able to borrow nearly as much quota as they did last year because it is just not there.

I am aware of the problems. I have talked to the Milk Marketing Board about it. Certainly the National Milk Supply Management Committee and the chairman of the Canadian dairy commission was there when I was talking the other day, and I am really concerned about it.

As far as the cost-benefit analysis is concerned, concerning how little we tender to the Canadian Dairy Commission in the way of butter and powder, and the levy, forgetting the penalty levied is \$1.20 per hundred-weight—there are a lot of ramifications—we have done some preliminary work on it but really we have not gone into it in depth. I think the total federal help on industrial milk to Ontario is somewhere between \$40 million and \$50 million. I can't give you the exact figures.

Dr. McEwen: It's approximately a third of the total allocation nationally, which is \$570 million.

Hon. W. Newman: That's \$570 million for all of Canada.

Dr. McEwen: It's about \$190 million.

Hon. W. Newman: I could be wrong on those figures. But we want to have a look at the total situation because—

Mr. MacDonald: Could I ask you a couple of factual questions?

Mr. Riddell: My only comment is, I'm not too sure that the lending program didn't serve to aggravate the problem more than it really helped. Maybe part of our problem is due to the lending program.

Hon. W. Newman: Well, do you think there shouldn't have been a lending program?

Mr. Riddell: That's hard to say.

Hon. W. Newman: I'd like some answers too. There have got to be some solutions to all these problems.

Mr. Riddell: I'd be interested in hearing from Dr. McEwen. But I would have to believe that maybe the lending program got us into a bit of the trouble.

Mr. MacDonald: Why?

Hon. W. Newman: Because some farmers went ahead and produced milk thinking they were going to be able to borrow quota.

Mr. Riddell: That's right.

Hon. W. Newman: This is what I'm saying—some farmers bought quota earlier on; others sat back, and that was their choice. They decided they probably would be able to borrow as much quota as last year. But I believe, in fairness, I think the Ontario Milk Marketing Board, when it announced the lending quota, pointed out that there would not be nearly as much quota available for lending this fall. I could stand to be corrected on that, but I believe they put that right in the bulletin they sent out to dairy producers or by way of a newsletter that went out saying they were concerned that there wouldn't be very much available for lending this year. That's my understanding. I could be wrong on that, but I know that they were aware of it. I'm almost sure. Does anybody know? Ken, did the board send out a notice to the producers pointing out that there wouldn't be as much quota for lending this year?

Dr. McEwen: Yes.

Hon. W. Newman: Yes, they did send it out.

Mr. Villeneuve: On this same subject, I think Mr. Riddell is very conservative. I'm getting complaints of about 1,000 being out of quota. I think there'd be pretty much that in my own riding.

Mr. Riddell: I've been blamed for that very thing in my own caucus. They think I'm a pretty right-wing kind of a guy.

Mr. Samis: Right, aren't they?

Mr. Ruston: You voted left wing last night.

Mr. Villeneuve: When the processors are crying for milk, how do you explain to Ontario milk producers who, because of quotas, are unable to supply the market, that the milk will have to be imported from Quebec? Yet, when those same producers run out of quota, they're going to be penalized or will have to spill the milk on the ground. There's something radically wrong. The situation has changed completely as far as eastern Ontario is concerned in the last 10 years, because prior to that we supplied about 48 or 49 per cent of the industrial milk in this country.

It's the reverse now. We're down to 32

per cent and Quebec has gone up to 48 per cent. Nevertheless, there is something radically wrong because I have figures here from the processors. I keep in pretty close touch. We have Kraft, Carnation, Nestle's and Ault Foods who control 90 per cent of the industrial milk east of Belleville. So you get a pretty fair figure from them. And the production to the end of September leaves about 68.1 per cent in eastern Ontario, and they have 31.9 per cent in those seven months to fill these quotas.

The situation is this: Both Carnation and Ault Foods are taking in 150,000 pounds of milk daily from Quebec, more if they can obtain it, in order to satisfy the needs of the customers that they sell to. I'll give you a list of companies that one plant alone sells to: Catelli; Laura Secord, puddings; Carnation, special powder for hot chocolate; Ross Abbott Laboratories, baby food; Kraft, cheese powders, candy caramels; Robin Hood, macaroni and cheese dinners, canned foods; Rowntree's chocolate production; Mead-Johnston, baby food; Borden, canned sweetened condensed milk; Dominion Dairies or Sealtest, ice cream, both hard and soft, and cottage cheese; Laura Secord, candies for "Turtles."

The largest processing plant in Canada is at Winchester, owned by Ault Foods; and 18 per cent of their production goes into liquid condensed-milk products. They founded this and made a success of their business by diverting the channels of their milk products into the market. Yet we are not receiving any credit for this.

In Alexandria right today, I was speaking this morning to Graham Creamery and he has a large order for butter from cream that cannot be supplied in Ontario. He cannot obtain it. He has to take Quebec butter to mix in with his own in order to sell the product.

When you live right in it, it's all right to talk unity; but when it comes to dollars and cents, and when people are producing milk and have got to spill it on the ground, and they haul it in from someplace else and the plants that they know of are short of supply, you cannot explain that in any term of language, whether it is English or French, to any man who is producing milk. It cannot be done.

I am going to tell you that there is something radically wrong. I am not blaming the Milk Marketing Board. I can understand that when the federal government is doling out money in heavy subsidies, certainly it has to have control. But somewhere along the

line, something has got to be ironed out to make things add up.

As it is right now, I must admit I am in the dark, because it does not add up to have people not obtaining or having a market that is ready for them at home, when they can sell to that because they have no quota, and you have to import milk from outside at a higher price than they are paying the Milk Marketing Board in Ontario, when these people would process it themselves if it wasn't for that. They are buying it from Granby Co-op.

Hon. W. Newman: I would just like to make a couple of comments on what you have said. There is a national target set at 97 million hundredweight, as I said. At this point in time, the Canadian Dairy Commission has said it is going to go over its target for milk production. We in Ontario as well as some others, are over our total and others will be over very shortly. I say there is no answer to it and we are looking at it.

We are going to look very seriously at the cost-benefit analysis, but the trouble is we don't hold the purse strings on industrial milk. There have got to be a lot of things looked at: the \$1.20 levy, the export market, our producers, the cost of milk, the increase that is coming for industrial producers and so on and so forth. But by and large, and I am just using round figures, the net benefit to the province of Ontario from the federal program right now is about \$85 million.

Let's just take a case in question here. If we do a very close cost-benefit analysis and supposing—just supposing—it showed that at this point in time it might be to our advantage to say to our producers "You might want to take \$1 a hundredweight less for your milk, and maybe we should be thinking of pulling out of the national supply management program," I'm not saying we should because Ottawa holds the purse strings, but then you've got other problems the minute you start doing that.

You run into a situation where there are no restrictions on interprovincial trade. The whole national marketing system of milk could be destroyed by overproduction in any other province, by shipping that milk into Ontario, and the farmers could be worse off than they are at this point in time.

I just don't want to leap into this situation and say, "Sure, we will pull out of the national supply program," because I know what happened when I go back in history. There was chaos before this pro-

gram came along, I'm told, in 1966. Whether we do or don't will depend on that, but somehow or other if we could get the National Milk Supply Management Committee to realize that the province of Ontario is not being treated fairly, that means some other province has to give up some of its quota, and I can't imagine a province in Canada that will give up one pound of quota without a lot of screaming.

Mr. Villeneuve: What I forgot to add, Mr. Minister, was that from Toronto east to the Quebec border, not one pound of skim milk powder has been offered to the Canadian Dairy Commission this year, in spite of that increase in milk.

Hon. W. Newman: I agree. Can I also say the same could be true for all of Ontario. I mean, the amount being tendered by the Canadian Dairy Commission is infinitesimally small. It really boils down to the national supply management committee and the Canadian Dairy Commission's trying to be realistic. It lies right on the shoulders of the government. I have talked to Mr. Whelan and I am quite sure that he is fully aware of our problems and concerns.

[0:45]

How do I say this without creating any sort of ill feeling towards anybody else? Unfortunately I think it's a tough problem for them to come to grips with, too; I'm not saying it is an easy problem for them. Certainly I just feel that Ontario should have more MSQ and that's a very simple statement to make, but I have outlined the ramifications in doing just that at this time. Before we make any irrational moves, we want to be exactly sure where we're going. I'm only saying "might" because I don't know at this time: It might even mean an amendment to the federal Act to control interprovincial movement of milk. I don't think we would ever get a bill like that passed at Ottawa now. I'm not sure we could; I doubt it very very much.

Mr. Villeneuve: I have 160 fluid milk shippers who wouldn't like that either, because they have been dependent upon the Montreal market for 70 years.

Hon. W. Newman: I realize that. Even in northern Ontario there is a shipment at crosses over into Quebec, so there is a countervailing situation there. It's a complicated process. There's no easy answer to it. I don't know the answer.

There are quite a few dairy farmers who have started up in the dairy business this year. Good luck to them if they want to

start up this year. But certainly if they looked at it in detail and understood the situation, unless they were able to buy a lot of quota last April if they were starting up—I've got neighbours who are in the same boat so I know exactly what we're talking about. As I was saying, there is no easy solution.

Mr. Villeneuve: I do agree with Mr. Riddell that this quota business has got completely out of hand. I think it is going to lead to disaster for a lot of people who are forced to buy beyond their means and are borrowing money to do it. As I said, I had nine farmers to see me. They're not milking cows for the pleasure of it; they're in debt and they need revenue. This is why they are so concerned. They can't go out and borrow the money and pay the prices being asked. I don't think there is going to be too much of this market-sharing quota even when these can fellows go out. As the minister has said, in our area in particular, it's all sold out now.

Mr. Riddell: I only base that premise on the fact that, as strange as it may seem, some of the ones who are buying this high-priced quota are new producers, or producers who have been in the business for a short period of time. I don't see any light at the end of the tunnel for them at all. I think they are going to be forced out of business, which means that that quota is going to come on the market. That's why I was saying that if too many producers have to go out, then there will be quota next year. But let's try to keep them in business, goodness gracious, we don't want to lose the producers.

Hon. W. Newman: I couldn't agree with you more. There is an ongoing study at the national level on quota values, but that doesn't solve our problem right now. There are no easy answers to the situation. Certainly before we would make a major move, we'd want to make sure that our farmers are not going to be hurt, and that is possible. I think other provinces—and I won't mention them—have made statements about what they want to do about the milk market in Canada. We're watching it very carefully.

Mr. Villeneuve: I'm a little critical about the policy of charging this \$7.20, or whatever it is, a hundredweight. I'm not saying anything about subsidy there, but if a man is able to find a market through the Milk Marketing Board, the processors need it and there is sale for the product within their own province, it's pretty hard to justify that.

Human nature being what it is, a man is going to spill the milk on the ground before he pays \$7 to take it away from his farm.

Hon. W. Newman: That's right, because his net return is so minimal after the \$7 penalty is put on it. Last year I think the penalty was \$8.60, was it not? I think it was \$8.60.

Mr. Villeneuve: That's right.

Hon. W. Newman: They brought in the \$7 penalty this year, and, of course, nobody could predict the weather this year. The Canadian Dairy Commission has said it shall be \$7 a hundredweight and, according to the federal figures, this is what it is costing them to get rid of the excess powder on the world market. They say it is costing them \$7 per hundredweight. This is what the Canadian Dairy Commission is telling us at this point in time. You don't have to tell me it is a problem. I live with it daily, but don't have any simple answers for it.

Mr. MacDonald: Osie Villeneuve made the comment that he was in the dark. Periodically I think I am getting out of the dark. But then I realize that I am deeper in it. I want to try to get this straight: Does the basic problem stem from the imbalance in sharing of quotas between Quebec and Ontario? Is that the nub of it?

Hon. W. Newman: Yes, in my opinion. I have to be fair here. Don't forget Quebec did build their quota over a period of years under the national supply management program. We lost 2.3 million hundredweight, but our program was already in place at that time. There are many other provinces that lost a great deal of quota which was picked up by the province of Quebec.

Mr. MacDonald: Let me try to understand another comment of yours. You said our total is 97 million hundredweight national production.

Hon. W. Newman: Ninety-seven million hundredweight.

Mr. MacDonald: And we are overproduced on that?

Hon. W. Newman: Right.

An hon. member: By how much?

Hon. W. Newman: It is a projection because we won't know until the end of March. It looks like it will be close to about 100 million hundredweight at least.

Mr. MacDonald: When you say "overproduced," do you mean nationally we are overproduced, or Ontario?

Hon. W. Newman: Nationally. We are over now, aren't we, in Ontario?

Dr. McEwen: All our quota is out and we anticipate 99 per cent fulfillment based on their figures at the present time.

Mr. MacDonald: So we will be meeting the full quota that we have, and nationally we are going to overproduce? I am sorry maybe I am obtuse—maybe it is too early in the morning and I haven't had my coffee—but why is it, if we are overproducing, that you have processors who can't get milk to meet their needs?

Hon. W. Newman: Because the milk is available in other provinces that have a quota.

Mr. MacDonald: And not enough of it is getting into Ontario?

Hon. W. Newman: As far as I am concerned that is absolutely right. We are not getting enough quota for Ontario and therefore it is coming in from other areas. Mind you, they have earned it over the years.

Mr. MacDonald: I take it that the processors not having enough milk is true only in Ontario?

Hon. W. Newman: There might be a small problem in PEI or someplace like that.

Mr. MacDonald: But by and large it is only in Ontario.

Hon. W. Newman: That's right.

Mr. MacDonald: So it is a case that Quebec has a larger share and the only way we can meet our processors' needs here is from the importation from Quebec at a higher cost than they can get it from the marketing board here.

Hon. W. Newman: We are the only place in Canada that is having to import milk that I know of.

Mr. MacDonald: It has been said so often. This problem is so incredibly irrational it is nonsensical—absolutely nonsensical. I would hope, Mr. Minister, this is an occasion when you should take representatives of all parties to Ottawa with you and barnstorm them, in totality, so to speak. Something has to be done to rationalize it.

I know you are being very coy and careful about getting into relationships between Ottawa and Quebec at this very critical stage in our history, but I don't think that kind of irrationality can go on very much longer without an explosion. The explosion may be in Glengarry county.

Mr. Villeneuve: You get it with the French immersion, with the educational outfit coming in right now. The reaction is there and it is traced from dollars and cents.

Hon. W. Newman: I want to make it very

clear here. I have expressed my view strongly and the answer coming back to me sometimes is that the national unity issue is a problem, and let's not kid ourselves: It is here. I have made it very clear that I am sick and tired for Ontario producers. This quota problem occurred in eggs almost two years ago when we said we were being short-changed in eggs. Instead of giving Ontario an increase in egg allocations, forgetting the cutbacks that are going on now, they gave it across Canada because of the national plan, which was wrong. We justified our increase and had the facts and figures to illustrate Ontario should get an increase and other provinces shouldn't. We worked on a hen count. We were allowed 8.2 million hens and you can't always keep 8.2—

Mr. Gaunt: Did you divide that by two? Did you count the legs and divide by two?

Hon. W. Newman: We counted chickens. We were allowed 8.2 million chickens. At no particular point in time are you going to have a total of 8.2. You need about 8.5 million or 8.6 million hens to stay at 8.2. Our board was very capable in dealing with that matter.

Mr. MacDonald: Let's try to get the proportions of this: How much milk is coming in from Quebec to processors in Ontario because our producers aren't permitted to supply it?

Hon. W. Newman: I am told about 300,000 pounds a day. How much is going out of Ontario to Quebec?

Mr. MacDonald: It is not in the MSQ?

Mr. Villeneuve: It includes shippers that are associated with the Quebec board because they have shipped to processors close to the border in Quebec so they are registered as Quebec shippers, but the fluid milk shippers have had the market going to Montreal. That's a different group altogether, and that's been carried on for generations.

Hon. W. Newman: The problem isn't at the fluid end. It's at the industrial end, which is under the national program.

Mr. MacDonald: That's 109,000 pounds, so in hundredweight, that's over—

Hon. W. Newman: It's 300,000 pounds a day.

Mr. MacDonald: I know it. That's 109 million pounds a year.

Hon. W. Newman: Yes, but they have only been bringing this in now since about the first of October.

Mr. MacDonald: But they were doing it a year or so ago.

Mr. Villeneuve: Yes, and they will do it all winter and buy more if they can.

Mr. MacDonald: Let me ask another question now: How much more beyond that is it estimated that Ontario processors need to be able to totally fill their market, fill their contracts?

Hon. W. Newman: Before October, the processors in the province of Ontario had quite a supply of product on hand and it was as the farmer fulfilled their quotas about the first of October that the problem started to arise. I think what you are trying to ask me is how much more MSQ do we need to fulfil our domestic demand in the province of Ontario.

Mr. MacDonald: Correct.

Hon. W. Newman: That would be part of a whole cost-benefit analysis of the situation, but the thing is, even if we decided that we needed three million hundredweight of milk in Ontario to satisfy our processors, we have to get that through the Canadian Dairy Commission. We had a big hassle at a federal-provincial conference two years ago where there was a formula brought forward which would have scuppered Ontario for more milk but we fought very hard at the conference and finally won our point. Not unanimously, but it was done and we were able to keep it, but they were trying to scupper it at that point in time.

You have to get to all these meetings to protect your own flank, because somebody is always trying to take it away from you and the attitude of many of the other provinces is that big bad Ontario is trying to be tough on them. All we are asking for is some equity in this structure and some fairness. I tell you, when you go down to those conferences, it's all very well for me to point out our problems, but the other provinces too have their say as well, and some of the Maritime provinces are worse off than we are.

In this total cost-benefit analysis we would probably have to assess all the producers. For instance, if we get a new product developed, like ultra high temperature milk, which we anticipate will be on the Ontario market next year, if we develop that market or develop another market for our commodities, there should be some allowance from the national supply management program to allow us to increase our MSQ if we can find an export market for our commodities. So these are all interlocked in the total study we have to do, and it is not going to be a simple study.

Mr. Villeneuve: Another thing that's adding to the difficulty is that for 45 years we

have had an export market of cattle because of brucellosis problems breaking out here and there. The last three years is practically nil and people have carried on raising this. It is just like a cash crop as far as revenue is concerned—selling off eight or 10 or 12 heifers, whatever it may be. The result right now is that they have got to milk them because there is no sale for them. In one of our better sales in eastern Ontario, well-grown heifers were selling for \$600 three weeks ago and today the same type of cattle will not bring \$400. So disaster is on the horizon if something is not done.

[11:00]

Hon. W. Newman: The whole brucellosis situation comes under the next vote. We have been doing quite a bit on the whole brucellosis situation.

Mr. MacDonald: I'm still in the dark.

An hon. member: That's par for the course.

Mr. Samis: Could I just ask the minister in terms of the industrial milk situation, especially in Glengarry, have you had any contact with the Quebec officials, or have any of your senior officials, since the problem began in October? I realize the federal ramifications, but have you brought it to their attention?

Hon. W. Newman: My only contact has been to point out to the Quebec minister that it might be a nice gesture, because of the fact that we don't have enough milk to supply our domestic market, that they would give up some quota.

Mr. Samis: I'm sure that was well received.

Hon. W. Newman: He took a very strong position on that at that particular conference. I don't blame him. If I was from Quebec, I'd do the same thing, but he took a very strong position that their farmers were over-producing and getting in trouble the same as our farmers are. They took a very strong position at the federal-provincial conference.

Mr. Samis: So it's an impasse then.

Mr. MacDonald: Mind you, there is an argument there in favour of Quebec staying in Canada. It gives them a market for export of their surplus milk.

Mr. Villeneuve: I guess so.

Mr. Samis: It wouldn't win too many supporters in Glengarry though, would it?

Mr. Villeneuve: We bought 25 million pounds of their surplus butter last year to feed our own population and that's been the situation for 30 years, that I know of.

Hon. W. Newman: At the risk of getting myself into a lot of trouble, I'd like to point out that we have a very accurate computer-

ized system of keeping track of milk produced in the province of Ontario. Maybe we keep too accurate figures. Draw what you like from that, but that's as far as I'll go.

Mr. Gaunt: I think the message is very clear.

Mr. Samis: Even to the asphalt farmers.

Mr. Villeneuve: While on the subject, Mr. Minister, I think perhaps your predecessor—I'm not being critical of him, but they took advantage. We had a very poor crop in 1972 but the producer is not altogether to blame either, because you could buy soya bean meal for \$118 a ton on August 10, 1972, and on February 10, 1973, the same product was worth \$540 a ton. It's not too hard to understand why they didn't feed cattle to produce milk.

Hon. W. Newman: Yes, and the other thing is, in the last two years, we have, through the National Milk Supply Management Committee, because of the fact that we were afraid that certain provinces would pick up quota from other provinces, keeping in mind the other provinces are not big producers of industrial milk, there would not be any reallocation of interprovincial quota. For instance, if Manitoba undershot its target, it wouldn't go to any other province.

For the last two years we've been trying to sort this total problem out, because we in Ontario would like to have our share of that too but somebody else feels it's their share. So in the last few years, no matter what happens—if they have a bad year in Alberta, or a bad year in BC—they would not lose quota. In the last two years this has been done on the basis that the Maritime provinces had a problem and there's a good possibility that they could lose quota. They have problems too. They have economic problems in eastern Canada. I'm not talking about Quebec, but the other eastern provinces have some real problems.

Mr. Gaunt: Just on that point, are there any other provinces in Canada which haven't taken up all of their quota allocation, and is that now available? I know there's no transfer, but is it available and is it a fact that there are some provinces which haven't taken up the full quota allocation?

Hon. W. Newman: If they aren't, the others have picked up the slack. Apparently there's none available from the other provinces, but there is potential for borrowing it from other provinces. I believe last year or the year before two provinces made a deal among themselves; I can't remember. But there was none this year.

Mr. Chairman: Are you all through, Mr. MacDonald?

Mr. MacDonald: Yes.

Mr. Chairman: You're still in the dark?

Mr. MacDonald: That's right. I've joined the rest of you.

Mr. Chairman: I'll call on "Bob Hope" Gaunt here to lead us out of the dark then.

Mr. Gaunt: Mr. Chairman, thank you very much. I am glad our committee next door was able to adjourn so that I can spend the balance of the day with the agriculturists.

Mr. Ruston: You should say you could not get a quorum. The Liberals were on hand.

Mr. Chairman: Is that right? Strike that out of the record.

Mr. Gaunt: I really don't know where to start with this one. The problems are so horrendous and there are so many of them. Mr. MacDonald has stated this whole quota policy is irrational. Mr. Villeneuve said there is something radically wrong here and repeated it about four times. I concur completely but I don't know how you sort it out.

There are so many problems one does not know where to start. To think that we have producers in this province who are begging, who would do anything to get additional quota, and in some cases it comes down to the fact that if they don't get additional quota they are not going to be in business in six months' time.

Mr. MacDonald: Including going bankrupt.

Mr. Gaunt: Yes. Right. On the other side of the coin, we are importing milk from another province in order to fill our domestic requirements.

If you can rationalize those two things you can rationalize anything, because I cannot figure that out. There is something basically, radically, fundamentally wrong with the system.

Mr. Villeneuve: I thought I was dumb, but I am glad to hear I have got company.

Mr. Gaunt: Well, you have got company.

Hon. W. Newman: Murray, I have to agree with you. I think I know where to start. We are doing some work with the National Milk Supply Management Committee, but I think we have to start with the chairman of the Canadian Dairy Commission, Mr. Choquette. That is who we have been talking about the whole situation and we will continue, keeping in mind that the feds put over half a billion dollars into the industrial milk business and keeping in mind

there are no boundaries on interprovincial trade.

We would have to think pretty carefully before ever considering opting out of the national supply management program because this would lead back to the chaotic days of early 1960s when we were swamped with milk. Everything would be destroyed. Prices would be destroyed and the farmers would be worse off than they are now.

Mr. Gaunt: I agree. I am not going so far as to advocate the abolition of the national supply management program or the abolition of the Ontario Milk Marketing Board. I am not prepared to go that far. I am a supporter of marketing boards and always have been. They do have their problems from time to time, but by and large these problems can be worked out.

However, this problem seems so complex and so involved. The federal government is involved in a major way. The province is involved. There is the added ingredient of the national unity question, sort of an ancillary question and issue. It really makes me wonder where we are going to end up.

These things become overly institutionalized. They become so set in their patterns that there does not seem to be any flexibility. There does not seem to be any give and take. I see this all the time with these things. They become so institutionalized that eventually they get to the point that they are more interested in protecting their own institution than in serving the parties to which they owe allegiance and which they were originally set up to serve. We are almost getting to that point with this program. I think it is going to take some radical, major shifts in order to sort this thing out.

I will just cite you a few examples. I have a number of producers. The number was mentioned earlier of 1,000 out of the 14,000 producers in the province of Ontario now being out of quota, and they have five months to go. I checked that figure with the board this morning. There are 1,000 out. The board wouldn't give me a figure but by the first of the year there could be 6,000 producers out of quota.

Mr. MacDonald: That's a lot of money.

Mr. Gaunt: With the expenses the way they are on the farm, we are really sitting on a powder keg on this one. There's no question. Unless something is done, farmers are going to be down here dumping milk or demonstrating or doing something before too many months.

I have a producer who's a young chap. He's one of many. I think about 10 per cent

of that 1,000 must be in my riding because I've been getting all kinds of calls from milk producers concerned about their quota. This chap is a young fellow. He's heavily mortgaged with farm credits. He's had some unfortunate luck. He had his barn burned and he's lost two herds with brucellosis. The farm credit people have gone along with him, but they've indicated that in order to pay his bills, meet his commitments and have an adequate living, he needs to milk 60 cows.

Of course, he can't get the quota to milk 60 cows and can't afford to buy it. So he's been milking 40 cows or thereabouts and he's been getting along. Mind you, he's cutting the cloth short somewhere else but he's paying his bills. Now he's out of quota. He's out of quota as of yesterday and what does he do? Does he dump the milk down the drain? I don't know what he does. The board has no answer for him. He has attempted to get quota. The board says market share quota goes for three cents a pound. You can't buy it anywhere in this province, anywhere, under 10 cents a pound.

Two miles down the road from this chap is a long-established producer, who just recently sold out. He never bought a pound of quota in his life. He has a big quota and you know what he's doing? He's sitting on it. He's speculating. He says, "I can get 10 cents a pound now but before my time to transfer this quota is up, I can get 15 cents."

I know in my gut, Mr. Minister, there's something fundamentally wrong with that. He is speculating. The fact that he doesn't need the money is beside the point. He is speculating on that quota and he's affecting another producer who needs it and needs it in the worst way. That kind of thing really disturbs me. The board says, "There is nothing we can do as long as he abides by the regulations. If he can get 15 cents a pound when we say it's only worth three and if there's a producer willing to pay that, then so be it."

But I tell you what it is doing. It's concentrating the quotas in the hands of the well-established producers and the people who have the money to buy it. That's what it's doing.

Mr. Villeneuve: That's right. That's what's happening.

Mr. Gaunt: I disagree with that. I disagree with it. I don't think it's right, morally or otherwise, because there are many young producers in this province who have got into the milk business, who have made

a conscious decision to spend the kind of huge capital investment it requires nowadays. They're prepared to stay in the milk business if they can do it and do it in an adequate way. They are not prepared to stay in it and be hassled every year with respect to their quota and end up with a pile of bills. They are not prepared to do it. [11:15]

Surely, as a matter of policy, the government, the minister, the Milk Marketing Board and everybody concerned should have a policy to keep these younger people in the milk business. I mean, these older established milk producers aren't going to be around forever. The only way we're going to have a continuity of production over the years is to keep younger people coming into the business and keep them coming up through the system.

If we're going to shake them out of the system every two or three years or periodically as these difficulties with quota allocation arise, then 15 years down the road we're going to be in a terrible mess. This is basing it on the present circumstance, presuming that the Canadian Dairy Commission is still operating and all of the pieces are still in place.

I throw that out to the minister, because it's a serious problem and it's one for which I don't have an answer. But surely there's got to be some way out of this, whether it's borrowing quota from another province which isn't using its full allocation or getting more MSQ from Ottawa, I don't know.

Mr. MacDonald: Or using the quota that is being sat upon.

Mr. Gaunt: Or using the quota that's being sat upon. That's right.

Mr. MacDonald: Quoting from what Murray has said, can you not find out from the board. Is the board aware of how much quota is being sat upon?

Hon. W. Newman: I'm not sure of the total figures, but that's one of the things on my agenda to talk to them about—people who have quota and are sitting on it. I don't know how many there are but this is one of the things I wanted to meet with them about on, hopefully, Friday. This is one of the things I have on my agenda to talk to them about because they have all the statistics over there.

Let's talk about the young people in the milk business. Last April 1 when the quota allocations were sent out, they knew what the total allocation of the quota would be for them. They knew April 1, 1977, what quota they would have. They knew exactly

what they'd have. They knew what they had to live with at that point in time, whether they should be trying to buy some quota at that time, or if they didn't buy a quota, whether they should get into the lending program. Some cases are very legitimate. In other cases, as Jack mentioned, I think that they're not legitimate. It's hard to sort those out.

To put more quota in the system, as they did last year after a great deal of pressure from us, is very difficult because of the total national allocation. We feel they're going to be well over the total allocation they need for Canada this year. I just point that out. Number one, there's no quota available from any of the other provinces to borrow this year. If there is any quantity of quota being sat on. I don't know of it. Maybe somebody can give me some figures. All the quota has really already been allocated. The board doesn't have any quota to allocate. I know that.

Mr. MacDonald: Does the board know how much is being sat upon? How much quota is out there and yet not delivering?

Hon. W. Newman: I don't know. That's one of the things we wanted to talk over six weeks ago. We finally got a date set for a meeting. They're meeting today and tomorrow and they're staying over on Friday to meet with myself and the Amish. I asked for a further meeting to discuss exactly what we're talking about here.

Mr. MacDonald: That's a partial solution, wholly within our control, it seems to me. That's where you should zero in for the moment. Solving it at the national level gets into all of the complexities. If there are millions of pounds of quota being sat on there, like the retired farmer who was mentioned—

Hon. W. Newman: I doubt very much that it's being sat on. I don't know but I will be talking to the board. I agree that if quota's being sat on it should at least be lent out and they can have it back April 1.

Mr. Gaunt: I had a conversation with a board official as late as this morning. We were talking about this and I said, "Why doesn't the board buy that quota at three cents a pound and bring that quota back in?" because that's their stated price—three cents a pound, unrealistic as it is based on what's going on in the country.

Hon. W. Newman: That's what they've said it should be.

Mr. Gaunt: That's what they've said it should be. Buy up that quota, get it in here and then sell it or lend it to the people who

need it. His answer was, "That gets up into all kinds of problems because it's hard for us to judge who really needs it and who doesn't." That's the kind of institutionalized bureaucracy that can drive producers right up the wall.

Hon. W. Newman: Don't forget that the Ontario Milk Marketing Board members are all elected by the producers in this province.

Mr. Gaunt: Oh, I know.

Mr. Villeneuve: They're all fluid milk shippers. That is the answer that I get from the industrial milk shippers.

Mr. Riddell: I think there is a bit of a self-serving interest there too. It's pretty hard to convince those board members that the board should be interfering with quotas.

Mr. Gaunt: You bet it is and I know the minister knows that. It's very difficult. That's an obvious solution but I'm not even sure they're prepared to do that. I would hope the minister would lean on them a little bit at his upcoming meeting and see if something cannot be resolved in that respect.

Hon. W. Newman: If you bypass the estimates on Friday morning, I'd be glad to take that time with them because they've set the whole day aside.

Mr. Gaunt: On Friday?

Hon. W. Newman: I'm only pointing out the fact that I'm not trying to avoid it, because I don't mind the estimates time. As a matter of fact, I enjoy it in here because we have some pretty frank discussions and I think that's very important for me and for all of us.

This meeting was set up a long time ago because we have to deal with the canned to bulk by December 1. It has to be dealt with firmly and quickly. Tomorrow's meeting would have been set early in December, were it not for the fact that the regulation that was passed to continue the situation from canned to bulk was extended only to December 1. There are going to have to be a lot of decisions made in the next few days regarding the Amish situation for one, and all these other matters that we've talked about here.

I have a list of things that I want to discuss with the board and I only hope the press doesn't print all the matters I want to talk over because I don't think it's fair. I haven't really told them in detail, but they know, generally, that I want to talk about industrial milk, the concerns that I have and the things that I think they could try to do. They could really get out there and find out how much quota is available for lending. They could start getting fairly accurate pre-

dictions now of how much quota a farmer has and how he's likely to use it.

With the utilization in the estimates—and I'm not blaming them—maybe the Canadian Dairy Commission should look at the way they gather their statistics on industrial milk as far as Canada is concerned. What I'm trying to say is maybe they should have a look at it in a different light. They're looking at it from the total picture but maybe they should be looking at it from the viewpoint of saving themselves some money, taxpayers' money, by reallocating the MSQ.

Mr. Gaunt: I think this whole problem which I raised underlines one of the difficulties with negotiable quotas. I'm not one of those people who has ever favoured negotiable quotas, but that's an argument we lost back in 1965 or 1966. I'm not going to thresh that straw, but it certainly is a problem.

I want to move on somewhat, shift ground slightly, but before I do I should perhaps protect my flank to this extent. I want to say that any remarks I make about the Ontario Milk Marketing Board are not to be construed as a personal reflection against the chairman or, for that matter, the other board members. I only want to point out to them what I consider to be some of the difficulties and the problems which, in some cases, they create for themselves.

The chairman is a constituent of mine and he's a very good constituent. I know that he does a lot of good work down there on Maitland Street.

Hon. W. Newman: Is the vice-chairman in your area? We don't let that enter into our discussions.

Mr. Gaunt: No, and I won't either. But the board, and I'm talking about the entity now, seems to become so wrapped up with the day-to-day red tape and the day-to-day detail. I think this has been a progressive thing as I perceive it. They have so many people running around trying to check if a producer filed his transfer papers in time.

I've got one case now where the chap mailed it on the last day for mailing, but didn't, as he should have done, register the letter, so by the time the letter got into the board office it was six days later. A 200,000-pound quota was involved there, a fairly substantial quota. All they said was: "Sorry, you're just too late. You're out of luck and you can't transfer that." I think he's going to appeal it.

These are little things, day-to-day administration details, and my perception is that the board has got bogged down with these day-to-day matters. They tended to deal on the

basis of introspection rather than putting these matters in their proper priority, and dealing at the policy level with the matter we've been talking about. These are tremendous problems in the industry—the quota problems, how you keep young people in the industry, all of these things.

One of the key examples that I can give is a case I had that went to appeal and represented the chap at the Milk Commission. To protect my other flank I should say that the chairman of the Milk Commission is a good friend of mine and he does a good job.

Hon. W. Newman: How many flanks have you got?

Mr. Gaunt: I just cite this case to indicate to you the kind of trivia, in my view, with which the board deals.

Another case concerned a chap who knew that he was going to be short on quota. So he purchased cows; two in December of 1970 and two more in January. I should also indicate that I'm not a sore loser. I'm not raising this to try to beat the straw and suggest that the commission made a mistake in its ultimate judgement. I'm raising it rather to make the point that in my view the Milk Marketing Board is more concerned with trivia than with substantive matters.

That's what I'm trying to say, unlike one of my colleagues who used to come into the House and deal with all of his legal cases which he'd lost in the courts. I'm not about to do that.

Hon. W. Newman: Could I make a suggestion? I'll probably get thrown out of here for making this suggestion. I think we all have a common concern here. We can talk about the board, but I have to give the board a lot of credit, I think they really are conscientious people.

Mr. Gaunt: Sure, right, I'll agree.

Hon. W. Newman: I don't even know if this is possible, but how would you buy this approach? Suppose I contacted the board and said; "When I finish meeting with the Amish on Friday morning, would you entertain not only myself but an all-party committee coming to talk to you about this problem rather than sitting here in estimates?" I know that's breaking all the rules of the House and everything else, but I'm not averse to doing that. What would you think of that suggestion?

Mr. Gaunt: I think it's a good idea and I'd be quite prepared to do it.

Hon. W. Newman: Would you be prepared to give up your time here?

Mr. Gaunt: I think we can do both. What I am saying is that I don't want to be a party to a guillotine action in the committee. We do have eight hours left or thereabouts for the discussion of these estimates and I don't want to use the time of the committee unduly, but I think we can do both, because I think it's important that it is discussed and be discussed fairly.

[11:30]

Hon. W. Newman: Yes, but I don't think the House leaders, in fairness, who have worked out the time frame would permit me to go over there with an all-party group. If the board would go for it, and I'd have to contact the board today, that would be fine. I think we'd have to include part of our time on the estimates, because I think this is a very important issue.

If you look at the time frame on our estimates, it would mean we would still be here on estimates next Wednesday morning when the Ontario Federation of Agriculture are having their annual breakfast. So that could conflict also. I just point this out to you in passing, that I would like to be there for the bear-pit session.

I don't even know whether it's feasible or not, Mr. Chairman, but I think when we've got the total board meeting now—they're meeting, I think, today and tomorrow and are going to meet on Friday—I'm not sure they would even go for it, but I'm quite prepared to try it if that's what you want to do. That's entirely up to the committee, Mr. Chairman.

Mr. Villeneuve: Mr. Minister, I do not want to speak out of turn, but this situation is so critical, and although I do not want to condemn the individuals who are serving there—I know it's a thankless job and they've got a lot of headaches to be confronted with—but nevertheless it's in all our mutual interest, and perhaps a group meeting together, to try to resolve this problem, if it's feasible or possible, is a step in the right direction.

Mr. MacDonald: I don't think anybody is saying that it isn't a good idea if the board is willing to entertain it. The only point unresolved is Murray's contention that we should still have all our time in the committee. The minister is trying to do a deal.

Hon. W. Newman: No, I'm not trying to do a deal. I don't believe in doing deals. It means that we'll have to do it at a later date, and I think this problem is urgent enough we should do it now. I will not be in question period on Friday morning be-

cause I will be with the Amish and the Milk Marketing Board from 9.30 on. I think an hour and a half will probably clear that up. But if we could meet with the board, say, at 11—

Mr. MacDonald: If you're saying in effect that we should complete the estimates, apart from that, by tomorrow morning, I am agreeable.

Mr. G. I. Miller: Mr. Chairman, why not have the chairman come in to the committee here for half an hour? I think, as a former member of the milk board in my own county, they should have the opportunity of defending their position. It is a good board and it's been run democratically and they're open for criticisms the same as anyone else. What would be the matter with bringing the chairman in to defend it—the chairman and the vice-chairman?

Hon. W. Newman: I'm not saying the board is not a good board. I'm not saying they're not very conscientious. I'm saying we have a problem here—

Mr. G. I. Miller: I understand there's a problem. I think the comments we've made are valid and perhaps criticism is justified to change direction so we make sure our young people are involved. It might be better to have them come into our committee room rather than to go over to the board.

Hon. W. Newman: The whole board will be meeting on Friday. We will be meeting with them over there. I think in fairness to the board—I'm not sure they'll even do it—they've got the right to choose and that's their prerogative. What I'm really trying to say is I don't mind sitting next Monday night again, if we have to, as long as the House leaders are agreed. I think while we've got this total board it would be a good time to go over and talk to them about this problem on a joint basis. I really do.

Mr. Gaunt: Personally, Mr. Chairman, through you to the minister, as far as I'm concerned, I would be quite happy to terminate these estimates tomorrow night. That's really a decision for our critic, not mine.

Mr. MacDonald: Or alternately, take two hours of what is allocated in the 20 and put it on Friday morning at 11.30, over there with the board.

Mr. Chairman: I might add, gentlemen, that I've just been told by the clerk of our committee here that you cannot bring the board in for questioning here. It would have to be done separately after the estimates are completed. It's against the rules of the House.

Mr. Riddell: I think we should be meeting the board. The chairman takes his direction. You could bring the chairman in and he could agree 100 per cent with what we're saying, but by the same token, he's got his membership to answer to as well. If we're going to appear before anybody, I think we should be appearing before the board. I'm quite willing to do so but I don't think it should take away from the time of the estimates, because I'm sure some of our northern members probably have just as many problems there as we have in southern Ontario with the dairy industry. I don't think they want to be denied an opportunity to air their views on some of their problems.

Hon. W. Newman: It was just a suggestion. I point out to you that it will probably be another month before they have the full board together, and that will make it pretty tight.

Mr. Riddell: Can't we meet with the board and still have the allotted time for the estimates?

Mr. MacDonald: Or the compromise that I suggested—that the two hours you meet with the board on Friday be part of our two hours. In other words, we voluntarily reduce our 20 hours to 18. That means you'll be back here Monday night and Wednesday.

Mr. Riddell: Well, I see nothing wrong with that.

Mr. Chairman: Provided the members of the committee agree to forgo the two hours in estimates, wind up the estimates, and then bring in the Milk Marketing Board.

Mr. MacDonald: Yes. Wind them up on Monday night.

Mr. Chairman: Right. Bring them in. If you are agreeable to that.

Hon. W. Newman: We can argue about the two and a half hours a week ago Friday; maybe we should discuss that now, too. But if we don't wind the estimates up Monday night, it's going to be very awkward for me to be over at the bear-pit session of the federation.

Mr. Riddell: Why can't we resume estimates time some other time, apart from next week? Is there anything that says we have to—

Hon. W. Newman: Look at the estimates you've got before this committee. I've got a bill that will probably be coming before this committee. We have Environment, Natural Resources and Northern Affairs coming before this committee. I tell you, with the amount of hours left, there is just no way. That's the problem. I'm begging the House

leaders for one day, if necessary, to bring forward our bill that has to come before committee.

Mr. Chairman: We are desperately strapped for time in this resources development committee. We have got 50 per cent more hours on estimates than any other committee. It just doesn't seem that we are going to get through. It will be well after the first of the year before we even come close to completing the estimates. Perhaps we can compromise here, and forgo the two hours, as Mr. MacDonald suggested, to discuss the matter with the Milk Marketing Board, but complete the estimates so we can proceed.

Mr. MacDonald: Will it help you if I make that a motion that we forgo the Friday morning period from our time allocation for these estimates, in order that we can meet with the Milk Marketing Board?

Mr. Chairman: Are the members of the committee agreeable to that?

Mr. Gaunt: I'll agree. I'll second it, if it requires a seconder.

Hon. W. Newman: If we are agreed, I'll send somebody out to contact the Milk Marketing Board immediately to see if they are agreeable. We'll be able to report back before we are finished here.

Mr. Chairman: As I gather, we would meet right after question period on Friday morning.

Hon. W. Newman: I will be over at the board offices, if they are agreeable. I will already be over there.

Mr. MacDonald: We'll join you. We'll mop up the blood on the floor.

Hon. W. Newman: I don't know how big that boardroom is. It's not a big boardroom; I've been there before. How many will it hold?

Mr. MacDonald: Oh, I think it will hold us, sitting around.

Hon. W. Newman: Maybe you would let your respective caucuses know those who may be on this committee and who may not be here right now but who would want to go.

Mr. MacDonald: I was going to say the opposite. If they are not interested in being here, don't tell them and we won't have too many to crowd the boardroom.

Hon. W. Newman: Could I just make one more comment? If the boardroom is not big enough, we will try to arrange for a meeting somewhere over in the Macdonald Block in one of the boardrooms. This meeting wouldn't be recorded as they don't have any recording equipment over there.

Mr. Chairman: I don't think it's necessary.

It has nothing to do with the estimates, so therefore it won't be recorded.

Mr. Gaunt: I'll abbreviate my remarks in view of what has happened. I am sorry that I have been the reason for all of this hassle with respect to time.

Mr. MacDonald: Don't be so modest.

Mr. Gaunt: A very modest man, but much to be modest about.

Hon. W. Newman: I'm sorry; I keep interrupting. I would like members of the Ontario Milk Commission to come along, too; would you have any objections?

Mr. Gaunt: No. I certainly have no objection at all. I'd welcome that.

Just to wind things up, this chap went out and bought these cows. He had great difficulty getting them home in January because of the storm, and was five days longer getting them home than he had anticipated.

The upshot of the whole matter was that he couldn't meet his quota allocation for the month of January. He knew he was going to be short for the month of February because he was drying up a lot of his cows. They were freshening in March and April, so he was prepared to be short in February.

As you know, if a producer is short two consecutive months then his quota is cut. Because of this, he bought these cows, had the difficulty in getting them home and finally, because of the added stress in trucking and delays, he encountered sickness with two cows which infected some of the other cows in his herd.

The whole picture ended up with his being under his quota for January and February, and consequently losing 71 pounds of his fluid quota. He appealed that decision before the marketing board and they said no, on the basis that this was a catastrophe. He appealed under that section, saying these health problems affected about 20 per cent of his producing herd at that time. In his view this was a catastrophe.

The board said no, so we appealed it to the milk commission. The milk commission, on the first go around said, "Yes, we find in favour of the producer. Give him back his 71 pounds." Then the fat really hit the fire. The Milk Marketing Board phoned up the producer and demanded the information that he had transmitted to the Milk Commission the morning prior to the hearing. He didn't have all of the facts and figures at the commission hearing, but he agreed to get that information and transmit it to the Milk Commission the following morning.

When the decision came down, the Milk Marketing Board phoned him up, demanded

that he give them the information he had given the commission. If he had called me, I would have told him to tell the Milk Marketing Board to stick it in their ear. If they wanted the information, all they had to do was phone up the commission.

Mr. Ruston: That isn't what Clare Hoy says.

Mr. Gaunt: As far as I was concerned, that was the appropriate action. As it turned out, in order to meet the time deadline that the Milk Marketing Board had set, I had to deliver the information by hand to the board office at noon the following Monday.

First of all, I found that very irregular, and I don't think that the Milk Marketing Board was within its right to do that. Then they asked the Milk Commission for a rehearing. A rehearing, of course, was granted under the provisions of the Act. After the rehearing the Milk Commission reversed itself and found in favour of the board. So the farmer is now out his 71 pounds, having gone through three hearings. He has gone through the hearing with the Milk Marketing Board, the hearing with the commission and the rehearing with the commission. He has lost three days' work and he is still out his 71 pounds of fluid quota.

Under the catastrophe situation the Milk Commission found that it wasn't a catastrophe, but initially found in favour of the producer because they said he had made reasonable efforts to meet his quota in January and, was unable to do that chiefly because of the weather.

I'll just read you the catastrophe section of the regulations of the Milk Marketing Board. "A catastrophe is a situation which occurs suddenly and over which the producer has little or no control and which affects his production to the extent of creating a penalty reduction in his quota."

[11:45]

First of all, the situation—the weather—occurred suddenly. A situation over which the producer had little or no control occurred suddenly. Certainly he fits into that slot as well. He had no control over that. He took reasonable steps to buy these cows and get them into his herd to raise his quota during the month of January, which affects his production to the extent of creating a penalty reduction in his quota. There's no question that it created a penalty reduction in his quota. But the board says, "Well, the catastrophe section really only applies where there's a significant loss of part or all of the producing herd." There was certainly a significant loss of a good part of his producing

herd. I would say 20 per cent is a significant loss. So in the rehearing the Milk Marketing Board came in with figures to show that his production, even with the addition of these cows in January, did not move up.

Obviously it didn't move up, because he had all these problems: number one, in getting the cows home; number two, after he got them home, he ran into health problems. Of course the milk production in January didn't go up, and he knew he was going to be out in February in any case, so that was two consecutive months, and it was found that the Milk Marketing Board's initial decision was ultimately upheld.

Now, that's really my point. The board was so concerned with facts and figures that it lost sight of the human element. These are human beings we are dealing with; they are not computers. They are not mechanical devices. These are people out in the country working seven days a week. You can't shut the cows off on Sunday and go to church; you have got to milk them. These are people who are out there trying to make a living. Surely to goodness that producer could logically come under the catastrophe definition which has been set up by the board.

The other thing that disturbed me about it was that—I won't mention the name, I don't want to do that, although if I am asked privately, I will tell you—one highly placed board official indicated to this gentleman that if he had mentioned the matter of the weather when he appealed at the Milk Marketing Board level, there would have been no problem. They could have solved it and it would have been sorted out, but he didn't.

He was going under the catastrophe section, herd health problems. He had a letter from his veterinarian and so on, so he went on that basis. It was almost accidental that he mentioned it at the first commission hearing, and that was the item upon which the commission, I gather, made its original decision. They seized upon that and said, yes, he had a point. But when it was pointed out, on the rehearsing by the board, that the production really hadn't gone up in January, the picture changed.

The point is that the highly placed person in the Milk Marketing Board told him it would have been no problem had he mentioned the weather problem in the first instance. Because he didn't, they decided to dig in their heels and fight him all the way, and that they did.

In the first appearance, the chairman himself came up to fight the case; in the

second, a member of the board came up. It even went so far as to have some officials in the board indicate that perhaps the original decision of the commission was politically motivated. That really irritated and almost insulted me. If they were saying that because I represented the producer, the commission gave me and not the producer special favour, I take exception to that.

I don't expect any special privileges before the Milk Commission, before the Workmen's Compensation Board before whom I appear on many cases, and they've never suggested that to me at any time on any of my appearances. They know the rules, I know the rules, and we fight it out and they come down with their decisions and I abide by them. But in this case, the board was almost adopting a Phil Esposito technique. You know, you badger the referee hard enough and long enough and eventually you're going to get a break, whether you're entitled to it or not.

Mr. Wildman: Just a minute. Phil Esposito's from the Sault.

Mr. Gaunt: With all due respect to the Sault.

Mr. MacDonald: Haven't you watched John Rhodes? That is the pattern up there.

Mr. Wildman: I know the point you're making, Mr. Gaunt.

Mr. Riddell: At least you could say the commission is taking the advice of Darcy McKeough. We know that the minister can't stand up to the great Darcy and I'm beginning to wonder if—

Mr. Chairman: Order, please. We did agree to meet at 11 o'clock on this particular issue you're discussing here. I appreciate your comments, but we did agree as a committee that we would meet shortly after the question period on Friday morning to discuss this thing with the Milk Marketing Board.

Mr. Gaunt: All right, Mr. Chairman, I just beg the indulgence of the committee for one more minute, then I'll wind it up.

What I'm really saying is that the board is more concerned with the technical detail, the fact that a producer gets his transfer application in on a deadline, the fact that he meets his total quota allocation month after month, rather than bringing a little humanity into the board and dealing with people on a humane and human basis.

I'm not overly critical of the board for that. I think there's a tendency to do that progressively, as a board or an organization

an institution functions year after year; I think there's a tendency to get to that point. All I'm saying is I think that the board should reassess its position in that respect because those are human beings out there and they work hard and I think they deserve a little consideration.

Hon. W. Newman: I would only make a very quick comment. The board is elected by the producers of this province to deal with those problems. There is an appeal to the Ontario Milk Commission. I think the commission does give written reasons, if I'm not badly mistaken. I don't know whether they gave written reasons in this case. I assume they did, which you have. I don't know. Is the chairman of the board from your area, your riding?

Mr. Gaunt: Yes.

Hon. W. Newman: I'm sure you've discussed it with him.

Mr. Gaunt: Oh, yes, indeed I have.

Hon. W. Newman: There are human elements in any situation. Let's not kid ourselves. I'm not going to talk about the Finnish situation now, but there are human factors involved there that I think can be resolved and still have bulk tanks.

Mr. Gaunt: I agree.

Hon. W. Newman: I'm not going to go to that because that's a lengthy discussion.

Mr. Riddell: Did you say "can" or "can't"?

Hon. W. Newman: Can.

Mr. Gaunt: Just one question with respect to this matter and perhaps it should appropriately be directed to the chairman of the Milk Commission. Is it permissible for the commission to come in with a trade-off decision under those circumstances? What I'm saying is, instead of the commission finding on the basis of yes or no, is the commission permitted to say, "These were circumstances that were beyond the control of the producer. There were certain management decisions that he could have taken that he didn't take and there's really a little fault on both sides. Instead of losing the 71 pounds, I'll lose 30 or 35. He's come down to the city three days. He's lost three days work. We feel that he's entitled to get perhaps 30 pounds of the 71"? Is that permitted or is it just a straight case of "We find in favour of the producer" or "We find in favour of the Milk Marketing Board"?

Hon. W. Newman: I believe the commission has, under the Act, the authority to make decisions as it sees them. I don't think they have to say yes or no. Maybe Dr.

McEwen would like to comment on it, but as far as I know, they have a right to make, order or change a decision at any time on appeal. Is that not correct? Is that a fair statement?

Dr. McEwen: Yes. The only thing, Mr. Chairman, is if Mr. Gaunt is referring to this specific appeal, the appellant would have to come back in and formally ask for the matter to be reconsidered and the decision, once it is made, can't be changed, in all fairness, without having all parties back in. I tried to explain the reconsideration provision before, which is there under the Act. This is the way it would have to be handled if he chose to follow that route.

Mr. MacDonald: Obviously the commission can revise and not accept. You recall the board's request for a 57 per cent increase in milk three or four years ago, that rather controversial one—

Mr. Gaunt: Yes, I remember that.

Mr. MacDonald: —and the commission's decision was that you can't have more than 35 per cent, roughly, if I recall the figures correctly.

Hon. W. Newman: We have already had an okay to meet the Milk Marketing Board at 11 a.m. Friday in the board offices. They have enough room in their boardroom and they have talked to Mr. Grant Smith and said they would be glad to meet with us at 11. So, hopefully, our other meeting will be over by 11. What's their address?

Dr. McEwen: Maitland Street.

Hon. W. Newman: What number though, is it 90?

Mr. Gaunt: I'll lead all those who want to follow, down to the board office. I have been down there.

Hon. W. Newman: You'll be there?

Mr. MacDonald: I'll be there.

Mr. Gaunt: I'll be there, Mr. Chairman, provided my Environment estimates don't come on Friday morning. I'll put my faith totally in the good judgement of the chairman.

Mr. Wildman: Mr. Chairman, I am glad to hear we will be able to meet. I just have a short question of the minister in regard to fluid milk marketing in my area. It relates indirectly to a hearing held in the Sault regarding Silverwood's application for a licence to distribute milk to the city of Sault Ste. Marie and eastern Algoma area. Mr. Krauter was there and I attended the hearing.

Without getting into it at all, because I don't want to prejudice any decision that

will be made by the branch, I would like to express some of the concerns of the milk producers in the area in relation to it. Mr. Stan Martin appeared before the hearing and I think made clear they are neutral in terms of whether or not Silverwood's should get the licence in the city of Sault Ste. Marie. Their concern is that whatever milk is sold by Silverwood's, if they do get a licence in that area, and is processed at the North Bay plant, should come from the northern pool, so they are not faced with a situation of a transfer. I don't think that is possible. I am sure it isn't possible.

I just want to confirm that milk would not be coming from one of the other pools into the area. Whatever decision is made, the milk sold in the Algoma and Sault Ste. Marie area, unless they can't produce enough, of course, is taken from the northern pool. Right now we are bringing milk from Timiskaming into the area, I believe, and that again is from the northern pool. I just want to confirm whether that is possible.

Hon. W. Newman: I'm not sure. I'll ask John Krauter in a moment. I would assume they would have to pay the northern pool price for any milk that did go in.

Mr. Wildman: I am assuming that. I just wanted to know whether I could confirm it. Is that correct?

Mr. Krauter: That is correct. Because of the two-pool concept, any milk sold has to be produced there. This is the fluid milk?

Mr. Wildman: That's right, the fluid milk. That is what we are talking about.

Mr. Krauter: It doesn't get involved with MSQ.

[12:00]

Mr. Wildman: Okay, I just wanted to confirm that. I assumed it, and I think the producers were assuming it, but they were looking for confirmation.

Mr. Ruston: Mr. Chairman, I want to go back briefly to the remarks of a few minutes ago. I think Mr. Villeneuve, Mr. MacDonald, and others were talking about milk going back and forth between Quebec and Ontario. One statement was that there were 300,000 pounds of manufactured milk coming each day from Quebec to the industries in eastern Ontario. I take it these are manufacturing industries from Mr. Villeneuve's list. I would take it these are companies manufacturing all types of goods sold all over Canada. You get into a very touchy item, I suppose, as to whether people in Quebec feel they have a right to send milk into an area when they're buying those goods back into their province.

Hon. W. Newman: May I just comment? We're not questioning the right, we're questioning the whole supply management business.

Mr. Ruston: I have reservations about some of the discussion there, as to what might eventually happen in Canada. But do we know how much fluid milk we ship into Quebec?

Hon. W. Newman: We don't have the exact figure, but we could probably get it for you.

Mr. Ruston: I wouldn't want you to go to too much work, but I think it would be an interesting—

Hon. W. Newman: No, we can get that figure.

Mr. Wildman: We ship to the north.

Hon. W. Newman: Yes there's some to the north, and some to the Ottawa area, I believe.

Mr. Ruston: Is there any fluid milk coming from Quebec into Ontario? It's probably a minor—

Mr. R. G. Bennett: They come under our board. We have the same thing going to Montreal, but that comes under Quebec; it really doesn't come into—

Hon. W. Newman: What you're really asking is for the fluid flow back and forth.

Mr. Ruston: It's interesting, I think, just to draw a perspective as to what's going on.

Hon. W. Newman: We'll get the fluid flow.

Mr. Ruston: I think you have problems when you go into control production. You're going to have problems with almost anything. You have to be prepared at all times to make changes. Because when you start trying to control production in almost anything you make—unless you're making a car: you just make so many, and then you're done. But you can't do that with farm products.

Hon. W. Newman: They don't go bad.

Mr. Ruston: That's right. But I think there are problems in all our marketing. I've had two or three farmers come to me, who were trying to get a contract with one of the local vegetable canning companies. They wanted to grow tomatoes, and when companies expanded their acreage they had a tendency to go to their regular growers and expand their acreage by five or ten per cent. It ends up with one fellow growing 125 acres of tomatoes, and another farmer can't even get a contract for 20 acres, or 15, or whatever it might be. This is a problem we're having.

There's been mention here this morning of the Milk Marketing Board being all fluid shippers, and whether they look at the per-

pective all the way around. This is a problem in our area with vegetable growers. There are people complaining they're being discriminated against when trying to get into the growing of vegetables. The ones already active in the marketing boards have acreages, and get their increased when companies wish to have more. These other people are having trouble getting in. I think that's a problem, and I don't know what the real answer to it

Everybody likes to protect himself, I suppose. It's like a man working in the factory: he can work 16 hours overtime, that's fine, let the other guy stay home and do nothing, I'll give him welfare or unemployment insurance. This is happening, of course, in every area of our life today. But I'm concerned about this; I don't know if there's any answer to it. It's been brought to my attention a number of times, I can see it happening, and I'm interested if there may be some answer to it.

Hon. W. Newman: I cannot give you a full answer to the situation at all. The only comment I could make is that once the vegetable board has negotiated a price for tomatoes or whatever it may be, then the processors have a right to go out and arrange contracts with whomever they wish. The individual farmer may want to make a contract with them. I think what you are saying is they would rather go to their traditional customers rather than letting a new man break to the situation.

Mr. Ruston: Yes, in general.

Hon. W. Newman: Certainly it is a free market to negotiate in. I don't have an answer for you but that is the way it is now.

Mr. Ruston: I don't either.

Hon. W. Newman: I think it might be worthwhile for that particular individual to talk to the vegetable board and point out his concerns. Whether he has or has not, I don't know. He could point out his concerns to the board, pointing out that he would really like to grow tomatoes, for instance, I would not mind growing some cash crops on my place if I could get a contract. By and large, they have the traditional people that get it and it is pretty hard to break into it.

Mr. Riddell: Are processors obliged to give a contract? A lot of these processors, Canadian Canners, for example, lease a lot of land in order to grow sweet corn or peas. Let's say that there are producers in the area that are quite willing and would be happy to get a contract with the canner, do they have to favour the producer before they lease land in order to grow their own product?

Hon. W. Newman: No, I don't think so. I think they can lease land at this point in time. One of the proposed changes you will see in the new legislation is the right to negotiate lease of land. It is not being done for that purpose. It is being done because it would be possible for a processor, without this amendment in the Act, to go out and lease land at \$1 an acre, bypass the system and work it out some other way. That is one reason we are bringing it in.

I don't think there are any limitations on a processor leasing land to grow his own peas or tomatoes or whatever it may be at this point in time. It comes to a point where it is not economically viable for him, if negotiations are in there for the lease of the land which is included in the amendment to the Act.

Mr. Riddell: I think they are quite fair inasmuch as they will take off the producer's crop before they will move in to harvest their own crop. If, because of inclement weather, they are not able to get all the crop, it will likely be the crop on the land they have leased that will be left sitting in the field. They are fair enough in that regard. I know there are several producers in my area who would dearly love to get a contract to grow sweet corn or peas, but the canners lease quite an acreage of land.

Hon. W. Newman: I can only give you a case in question in my own area, where they were leasing land that was surplus agricultural land on government property. We stopped them because it was unfair to the regular farmers there. This goes back some time. It was quite an issue in my old riding. This was stopped and they were not allowed to do it on government property. As far as private property is concerned, I don't know whether there is anything we can do about private property. I have a note here on it. Would whoever wrote it explain it to us please?

Mr. Doyle: There is provision for contract security in the vegetable plan now on the basis of three-year rollover contracts. What that means in effect is that if a producer has a contract for this year, he will subsequently have it for this year plus two more years. At the end of that period, he could be terminated. Also, there may be increases in acreage which would allow for new growers to come in. It is not quite the same as a quota system. It is a contract security system to give a producer a period of years in which he can feel confident about writing off equipment and things like that.

Mr. Riddell: But there is still nothing stopping a processor from leasing land to

grow a product even though there are all kinds of producers who would like to get a contract with that particular processor?

Hon. W. Newman: No, there is not.

Mr. Gaunt: May I have some clarification with respect to the transfer payments: Canadian Horticultural Council, \$4,752; Canadian Western Agribition, \$1,000; Ottawa Winter Fair, \$20,000; Prince of Wales Prize, \$250. How are those established? Are they reviewed every year? Do you come up with a new figure every year?

I know that you don't come up with a new figure for the Prince of Wales Prize of \$250. That's been the same every year since 1955. I know that one is constant. How do you deal with the others?

Hon. W. Newman: I'm told it's the Canadian Horticultural Council that sits down and works it out with our people on a pro-rata basis on their expenses and how they operate at price-point et cetera.

Mr. R. G. Bennett: This is pro-rated right across the country and this causes a change in Ottawa and here. We can refuse or accept it but we think it's well that they submit it on this basis.

Mr. Gaunt: So how would the \$4,752 compare? Is that on a pro-rata basis?

Mr. R. G. Bennett: That's right.

Mr. Gaunt: I see. The figure is an interesting one.

Mr. R. G. Bennett: They are a percentage of what they feel it will take to operate the council and the other provinces assume their share et cetera, and they submit this to us for our consideration.

Mr. Gaunt: I see. There's another matter that I wanted to talk about under this Act. It relates to the bill which the minister brought forward and I commend him for it. We certainly support it. The bill has to do with some protection for producers where a processing—

Mr. Riddell: The Farm Products Payments Act.

Mr. Gaunt: Yes, thank you, it's the Farm Products Payments Act, where a processor goes broke and producers are left with the residue which, in many cases, isn't very much. We've had a series of these over the past number of years.

The rumour in the industry is that we're going to have another one, hopefully not, but it is a problem and I was very alarmed to learn that the Ontario Cattlemen's Association has not participated under the terms of that Act. Has the minister had any con-

sultation with them? What are their reasons? Is there any indication that they will be coming under it because, as sure as night follows day, if another processing plant goes bankrupt, many of those same producers are going to be wondering what the government is going to do about it?

Hon. W. Newman: What I'm saying is that there was a great urgency to pass that bill as you recall, and through the co-operation of both opposition parties we got that bill through very quickly in our July session. I believe it was. It wasn't geared to go through but because of the urgency of the situation it did.

I have talked to the Ontario Cattlemen's Association. They've had quite a few meetings and, just recently, we thought they had reached an agreement with the packers. I'm not sure whether they really have. There were some hangups on it. I understand that meeting is tomorrow or the next day and further discuss the matter.

I have pointed out to them that reasons for the urgency was basically to help them. I think they have some concerns as to how much a reserve they should have, how high it should be, who should pay what portion and so on. I think this has been one of the delaying things but I pointed this out to them.

I don't want to mention the plant because a sale is going through on some of the property and this will alleviate part of the problem there—if we're talking about the same plant. You want to talk to Mr. Harbort Worton about it because he is quite familiar with the details. They are meeting again tomorrow and as soon as they can come up with a program on it I can do no more than pass legislation and say: "Get at it. You are an organization so get at it."

I have been pushing them, they have had meetings and I gather they're having another meeting tomorrow.

Mr. R. G. Bennett: It's vegetables tomorrow but they just got a response from the packers on this issue, which they will be following through.

Hon. W. Newman: We have been trying to keep on top of it as much as possible without interfering directly with their work but there and they've got their right. We pass legislation to give them that right and I think the sooner they move on it the better.

[12:15]

Mr. Gaunt: Where has the problem been? Has it been at the producer level or at the packer level?

Hon. W. Newman: The Ontario Cattlemen's Association are negotiating with the packers and producers and with their own association. I know what I think the problem is, but in fairness to them, I won't bring the problem out until they try to sort it out. I think they're getting very close to agreement and I might do something to foul up their working out an agreement. That's the only reason I wouldn't comment on it now. Not that I don't want to comment, but I think it may be bad to comment as they're getting very close to an agreement and it might upset either side.

Mr. Gaunt: So there are really no producers operating under the terms of that bill at the moment?

Hon. W. Newman: None, except milk, of course.

Mr. Gaunt: Well, yes, but that's always been the case. So the vegetable people are thinking about coming under it, and the beef producers and the Ontario Cattlemen's Association are thinking about it. I gather they're somewhat uneasy, or the terms of payment haven't been worked out, even within their own organization. Is that accurate?

Hon. W. Newman: There's an internal problem too, as you well know. Who should pay which portion of what? That's something they have to sort out among themselves. We offered to lend our services to help them sort out.

I think also the people in the grain business are looking at it. I had a note handed to me saying the cattlemen, the grain, and vegetable producers are meeting about vegetables tomorrow. I guess really what they're trying is the co-operation between the buyers and the sellers has to be worked out, as far as that one is concerned.

My feeling is that cattlemen are coming closer to it. But I should tell you, we have been waiting since last July and here we are four or five months later and we don't have it. We're prepared to move the day we get a representation.

Mr. Riddell: It's appalling that an organization like the OCA didn't have some of these figures worked out before they became so insistent on having legislation passed.

Hon. W. Newman: No comment here. Let me say, I rushed the legislation through.

Mr. Riddell: I'm not too sure we always have to protect their flanks in this bloody business. They come in and they are pretty insistent on getting legislation put through. Then five months later, we find somebody's

been dragging their feet. The legislation has been there, but they haven't taken advantage of it. I'm not saying the OCA is completely to blame for it, but I would think some of these figures you indicated, should have been worked out. They should have had in mind what these figures were before they came in and started asking for immediate legislation.

Hon. W. Newman: We had a meeting a month after the legislation was passed, to discuss the overall plan as we understood it. I talked to one of the members of the OCA the other day and he told me he thought they were pretty close to getting agreement at this point in time. They were working on it. I'm not sure when he told me they're meeting, but very soon.

I put it out to him. I said, "I don't know of any major problem at this moment in time, but you never know when one is going to arise." I suggested even though the legislation had been passed, he had better get moving, because if it's not in place, it's just not there.

Mr. Gaunt: I was wondering if I could seek out some opinions or some information from the minister with respect to the lease at Guelph. The minister knows the lease with which I'm dealing. Has there been any attempt to renegotiate or to alter it in any way, particularly since we now have a new Minister of Correctional Services (Mr. Drea)?

Hon. W. Newman: I don't think there has been any renegotiation at this point in time. I have taken to the new Minister of Correctional Services regarding the whole situation.

Mr. Gaunt: He is familiar with it?

Hon. W. Newman: He is familiar with it.

Mr. Gaunt: I see. That's helpful.

Hon. W. Newman: You've been talking to him too or you wouldn't have asked that question.

Mr. Gaunt: I never ask unless I know part of the answer. What about the veterinary services part in this vote?

Hon. W. Newman: That's the next vote.

Mr. Gaunt: The regulatory part comes under this vote.

Hon. W. Newman: Are you talking about quality control?

Mr. Gaunt: Yes.

Hon. W. Newman: That would come under this vote.

Mr. Gaunt: That would come under this vote and the next vote deals with meat inspection. With respect to the meat inspection aspect of veterinary services, has there

been any attempt made by the branch to track down some of these rumours that seem to pop up from time to time with respect to the bootlegging of meat from other provinces? We've had another round of that, although it hasn't blossomed to any extent. I know it has occurred in my part of the province again and I'm just wondering if there's been any evidence. Has the veterinary services branch been made aware of this and, if they have, have they pursued it? If they've pursued it, have they tracked down anything?

Hon. W. Newman: We've got the feds involved also. I'm not going to mention any names but there were certain ads that I have noticed recently. I really don't want to tip my hand because I don't know if they've done anything yet or not, but the feds are involved. I'm not sure whether the feds are going to buy some animals and do some testing.

As for the bootlegging you're talking about, we have four investigators working on this on a constant basis. I can't tell you of any specific incidents right at this point in time whether any charges have been laid. The four investigators we have are constantly working on this and—I don't like the word "undercover"—they work very quietly—

Mr. R. G. Bennett: Diligently.

Hon. W. Newman: Very diligently, thank you. I must say they are a very hard-working group of fellows who work at this. Nobody knows them. I've only met them once. But I do know they work very diligently. There's no evidence there's a problem with respect to sales.

Mr. MacDonald: You sound like the Solicitor General in Ottawa. You don't know who your undercover men are.

Hon. W. Newman: We know who they are. It's just that they work very quietly in going about this particular aspect. According to Dr. McDermid, there's no evidence there's a problem with regard to the sale of dead animal meat at this point in time. If you know of anything or are suspicious, we would appreciate a call. We do get a lot of public support and help. If you have any suspicions at all, we can assure you we will not disclose your name or anybody else's name but we will look into it.

Mr. Gaunt: Just shifting somewhat on to another matter dealing with meat inspection, I had a problem which I drew to the attention of the branch. They're always most helpful and try to do what they can. This was a case where a farmer had taken several

head of cattle in to get custom butchered and the meat had already been sold to three or four of his neighbours. What was happening was that the animals went in to the slaughterhouse, were slaughtered, and the meat was cut up and wrapped. The meat was to go to the various people with whom the owner had an agreement to purchase.

The problem arose in that after the meat was cut up, wrapped and cooled, it took on an odour of some description. The people who ultimately got the meat refused to pay the farmer. The farmer is out his money because he can't bring back the animals. The purchasers refused to pay for the meat and, in the meantime, the farmer is out his money.

The meat has been checked out by your people and the University of Guelph did a test and indicated there was an odour attached to the meat which would make it unpalatable, so it wasn't an imaginary thing. The only recourse that the farmer apparently has under those circumstances is to sue the butcher shop involved. Is that the case?

Hon. W. Newman: You know all animals are inspected before slaughter and after slaughter at the slaughterhouse and either passed or not passed. I assume these were approved by the provincial meat inspectors.

Mr. Gaunt: I gather they were. The information came back that they were very thin, but otherwise healthy; no abnormalities with respect to disease.

Hon. W. Newman: We always investigate complaints. If the veterinarian who is doing the inspection after slaughter approves them as being okay carcasses, then I guess it's a matter of who sues who for what. I can't quite make it out. The way I understand it is, without disrespect, I can't make the writing out at all, but I would assume that the farmer will have to sue somebody, whether he has to sue the butcher, or whether he has to sue the people.

It depends how the meat was taken. I only know from personal experience that if you take the whole carcass and it's not fast frozen, and put it in your freezer, you could go down to your freezer three or four days later and find meat that's still not frozen in the centre.

I don't know the circumstances, but I guess the only recourse on an item like that if the animal has been cleared is that somebody has to sue somebody—whether the farmer wants to sue people for not paying or the butcher for not doing something right. It would be a civil action and I don't know who would sue who. There is no recourse that we would

ave. We would send forward the reports and everything that would be necessary. I guess the meat has been sent to Guelph and been checked and there were reports on it. I don't know what the reports say. Was it an odour that came from the meat? Look, I don't know. I am only speculating.

Mr. Gaunt: It's a musty odour or taste on the meat and Guelph recommended that it not be eaten.

Hon. W. Newman: I don't see any recourse in a situation like that except to the courts. We can't lay charges. As far as I am concerned, if it was inspected and it was cleared, that would be somewhere from there to there. Of course they can sue anybody they want to. They could sue us.

I don't know the circumstances but I take it winds up as a case in court. It was Ontario-approved meat on leaving the plant. As to what happened after leaving the plant, it could be poor cooling, poor chilling, it could be the freezer. I learned the hard way. I put a whole animal unfrozen in my freezer—this is years ago—and I learned my lesson because when I got into the centre of some of that meat, it had an odour to it.

I can't really answer the details on that. It would have to be a civil action.

Mr. Gaunt: I know a few years ago there were difficulties with the plants with respect to meat inspection. Those difficulties were more logistical than anything. It was a question of trying to sort out the days the inspector could be there and trying to mesh that with the overall operation of the plant. I must say I haven't had any such complaint in the last year. Is that kind of operation smoothed out?

From my point of view that certainly speaks well of the meat inspection service because I think there must have been some adjustments, a little give and take on both sides perhaps, and those problems have essentially been worked out. Is my perception accurate in that?

Hon. W. Newman: I hope your perception is accurate. This is the feeling we are get-

ting. We're not getting the complaints. We try to make the most efficient use of our inspectors, and it is a matter of working with individual plants. If a new plant starts up, if somebody else is killing just five miles down the road, we try to work it in together so that the inspectors can call. I think at this point in time it's a free service.

It is a matter of utilizing our staff efficiently and trying to organize the slaughtering operations. I really have had no complaints. I say none—I don't recall any complaints coming in across my desk in the last year.

Mr. Chairman: It is now 12:30, gentlemen.

Mr. Gaunt: I have a couple of other matters, I don't want to be difficult, Mr. Chairman.

Mr. Chairman: You are being difficult, but it's all right.

Mr. Gaunt: I'll be back sharp at 2 o'clock.

Mr. Chairman: No, not 2 o'clock. It will be tomorrow morning at 10 o'clock if you still have further comments to make under vote 1804.

Mr. Gaunt: Just a couple of things.

Mr. Chairman: Before we adjourn, I would just like to ask the opinions of the members of the committee. There was some discussion with relation to the wood technology of feeding animals with poplar. The gentleman who is experimenting with the product wanted to know if the committee would be interested in viewing on Monday a short film on the processing of this wood product. Would that be satisfactory to the members?

Mr. Gaunt: At what time?

Mr. Chairman: It would be Monday evening. We meet at 8 o'clock.

Mr. Gaunt: It would be part of the estimates consideration?

Mr. Chairman: That is correct. It would just be a few minutes. It's just a short film. Good enough? Agreed? Thank you very much.

The committee adjourned at 12:33 p.m.

CONTENTS

Wednesday, November 23, 1977

Agricultural Marketing Program	R-897
Adjournment	R-921

SPEAKERS IN THIS ISSUE

Gaunt, M. (Huron-Bruce L)
Havrot, E.; Chairman (Timiskaming PC)
MacDonald, D. C. (York South NDP)
Miller, G. I. (Haldimand-Norfolk L)
Newman, Hon. W.; Minister of Agriculture and Food (Durham-York PC)
Riddell, J. (Huron-Middlesex L)
Ruston, R. F. (Essex North L)
Samis, G. (Cornwall NDP)
Wildman, B. (Algoma NDP)

Ministry of Agriculture and Food officials taking part:

Bennett, R. G., Deputy Minister
Doyle, W. V., Executive Director, Marketing Division
Krauter, J. H., Director, Milk Industry Branch
McEwen, Dr. K. A., Chairman, Milk Commission of Ontario



Legislature of Ontario Debates

Official Report (Hansard) Daily Edition

Resources Development Committee

Estimates, Ministry of Agriculture and Food



First Session, 31st Parliament

Thursday, November 24, 1977

Speaker: Honourable John E. Stokes

Clerk: Roderick Lewis, QC

CONTENTS

A list of the speakers taking part in the debates in this issue of Hansard appears, in alphabetical order, at the back of this issue.

Daily contents of proceedings also appears at the back of this issue. Reference to cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff. Phone 965-2159.

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LEGISLATURE OF ONTARIO

THURSDAY, NOVEMBER 24, 1977

The committee met at 10.08 a.m.

ESTIMATES, MINISTRY OF AGRICULTURE AND FOOD

(continued)

On vote 1804, agricultural marketing program:

Mr. Chairman: Ladies and gentlemen, members of the committee. We were completing vote 1804 yesterday noon and I think Mr. Gaunt had the floor for a few brief remarks. We shall continue with that this morning. Mr. Gaunt?

Mr. Gaunt: I noticed you underlined the word "brief," Mr. Chairman.

Mr. Chairman: Very well underlined.

Mr. Gaunt: That's exactly what it will be very, very brief. Two things: First, I have had some representation from farmers who feel there should be something done with respect to the price of milk powder. Many farmers, I think, would use milk powder in their operations if they could get it at a competitive price. They feel, given the deductions that are being taken off their milk cheques to export this product and to subsidize it abroad, a lot of that product could be utilized here at home. They would be prepared to do that if the price were competitive.

I am not sure of the machinery and the mechanics involved in that, but I throw it out to the minister for consideration. Many farmers have said they would use it in calf supplement, for hog-feeding and so on. It could make a good feed in that respect. But they won't use it at its current price.

Hon. W. Newman: The only comment I have is that in the export market, world prices for powder are away down compared with what you have to pay for it here. It's a lot higher here. What do you pay here? Is it 3 cents?

Mr. Gaunt: I think it's even higher than that.

Hon. W. Newman: We buy it for our supply, but that's all I know. The export price is a lot lower. Two years ago in Ottawa we suggested to the Canadian Dairy Commission, when Mr. Whelan was there, that

some arrangement should be made. Their major concern, as far as powder was concerned, was that since all the chain stores always had to pay a certain price for this powder, if they sold it to farmers cheaper they would have no way of controlling where that powder might go. That was their main reason at that point. But we did make that suggestion.

You should ask the Minister of Natural Resources (Mr. F. S. Miller) about that. Maybe he could feed it to his fish.

Mr. Gaunt: Right. Mr. Chairman, I have one other matter and I need to speak to my good friend here for a minute. If there is anybody else on the list—

Mr. Chairman: Is it still under vote 1804?

Mr. Gaunt: Yes. It is the matter of the transfer of quotas with respect to cream. If a milk producer sells his milk quota and then decides a month later that he wants to go into cream, he cannot do it. There are all sorts of cream quotas in the country—

Hon. W. Newman: There are not all sorts—

Mr. Gaunt: There is quite a bit of it. It is certainly available out there.

Hon. W. Newman: Right.

Mr. Gaunt: Given the circumstance with the milk quotas we talked about yesterday, it seems to me that is one method whereby we can free some market share quota—not a lot perhaps, but we can certainly free some. I cannot understand why the Cream Producers' Marketing Board is taking that position. I think they should be challenged on it.

Hon. W. Newman: We might do that to milk but, as you know, the chairman of the Cream Producers' Marketing Board sits on the Milk Marketing Board; he is Murray Smeltzer, who is a very fine fellow.

Mr. Gaunt: Yes, indeed.

Hon. W. Newman: We discussed this at a meeting of the Milk Marketing Board two or three months ago. He was reluctant to give up any of his cream quota at that point because he did not know how many can shippers would be moving into cream or how much quota they would have. It would be fair to say that down the road he is prepared to be reasonable on it but

he wants to make sure he is covered. He does not want to give up quotas that he may need because of the conversion from canned to cream. In fairness to Murray Smeltzer, at the meeting he was very sympathetic to the idea.

Mr. Gaunt: So it is not an open-and-shut case?

Hon. W. Newman: Not as far as I am concerned.

Mr. Gaunt: And as far as the board is concerned?

Hon. W. Newman: I don't know what their attitude is now. It was two months ago that I met with them. Certainly it is one of the things that I have on my list to mention to them when we meet them tomorrow.

Mr. Gaunt: So the minister is going to pursue that point?

Hon. W. Newman: Yes. We did go into it a couple of months ago.

Mr. Gaunt: Good. That is all I had, Mr. Chairman.

Mr. Chairman: Thank you, Mr. Gaunt. Bon voyage!

Mr. McKessock: Mr. Chairman, I want to speak to the same point that Mr. Gaunt was talking about. He mentioned that in a month's time a producer could not transfer to cream. He meant the producer could not transfer his milk quota to cream; he could go into cream production if he could obtain a quota, but he could not transfer his milk quota. Is that right?

Hon. W. Newman: I think they can. They can take their milk quota and change it to a cream quota. How the ratio is done, I am not sure, but they can. For instance, if you are shipping in canned bulk and you want to start shipping cream, you will get a quota for cream.

Mr. McKessock: Mr. Gaunt referred to a producer who stopped shipping milk for one month—

Mr. Riddell: No, he said it was a producer who had sold his milk quota and now he has no quota at all.

Mr. McKessock: There is nothing to stop him from going into cream if he buys a cream quota.

Hon. W. Newman: If he buys a quota. But if he sells his milk quota, he cannot be expected to be given a cream quota.

Mr. McKessock: I mentioned the other day, and I said it would come under this vote, that we have a fairly large and well-

managed ice cream manufacturing plant in Markdale, run by Dave Chapman. He has mentioned to me that they would like to be given more notice of butterfat price increases when they come along. He says he has to give his customers notice of price increases and it just comes on to them overnight, with the result that they have no chance to give any notice to the customers of the increase in price. Is there any way that these processors can be notified of a price increase coming up?

Hon. W. Newman: All industrial milk, of course, is formula priced; and there will be an adjustment in the formula coming shortly from the Canadian Dairy Commission. What you are saying is that when they announce the price increase for the farmers they should give due notice—a month in advance, say—that they are going to give an increase. Is this what you are saying?

Mr. McKessock: Yes. He would like a much advance notice as possible. He feels he just cannot increase his prices without giving his customers some notice.

[10:15]

Hon. W. Newman: It would be up to the Canadian Dairy Commission, in terms of their formula, if they decide to increase the price of industrial milk; that would have a direct bearing on the question of what he would pay. I am not sure how much advance notice they give now, if any. It is a matter of concern to everyone, because not only does it affect the ice cream market it affects everybody else in the stores as far as the price of milk and powder is concerned. But sometimes they get right down to the wire before they make a final decision on it.

It has always been a concern of ours because there will be a certain amount of stock on hand at the old price or something. Maybe they want notice so they can increase it right away. It is a good point. But I am not denying it is a good point. But I don't know the answer to it, because I think the formula pricing on industrial milk has worked. Depending on circumstances, costs, inflation and all the other factors, they look at the formula at least twice a year.

I don't know whether it is public information or not, but they are talking of an increase right now. In industrial milk, the formula does warrant it. I'm told it has not been announced yet by Mr. Whelan, so I really should not comment on it. All I can say is that the formula indicates that there is a warranted increase in industrial milk.

Mr. McKessock: Thank you. On another point, to what extent is your ministry involved in the brucellosis control program?

Hon. W. Newman: It is mainly federal, but we are very much concerned and involved. None of the provinces is brucellosis-free, but certainly they don't have nearly as many infected herds as we have in the province of Ontario. As a result of our meetings last summer, there was a joint federal-provincial committee set up to study it. Dr. Len McDermid, the head of our veterinary services branch, is on that committee.

I am very concerned about the incidence of brucellosis in Ontario, although the number of herds is down somewhat at this moment. It is still bad.

I hope I am not sounding critical—I think that the health of animals branch in Ottawa is that as one of its top priorities—but I think that branch really needs to get out and get at it. If we are going to have a test-and-slaughter program, then they are really going to have to get at it in a big way. It is not fair to our farmers in the province of Ontario. There is going to have to be some control on movement of cattle.

As I have always said, I believe we could vaccinate; it still can be done on a voluntary basis. But I have yet to be convinced—maybe within the next few weeks something will be worked out which could convince me—that we should actually support the test-and-slaughter program.

They should put more men in the field to do more testing—and our people work very closely with the health of animals branch—but there may be some more recent information, because I know the committee has been meeting—

Mr. Gaunt: There is a new program coming out the first of the year, is there not?

Hon. W. Newman: Yes, it will be announced. As I have mentioned, additional manpower is needed. We also need more research on brucellosis, which the feds are prepared to do, and more on-farm testing of herds; this is where they need the additional staff to do it on a regular basis. They also said, as I have said, that restriction of movement of cattle is needed. There are some areas of the province that have a lot higher rate of brucellosis than do others.

Mr. McKessock: Is there some thought that we should forget about the vaccination program and just test and slaughter?

Hon. W. Newman: If I was convinced in my own mind that the feds had a meaningful, long, manpowered program going, then I could support a test-and-slaughter program.

However, at this point in time, with 938 or 948 herds under quarantine in the province of Ontario, I am not convinced that the health of animals branch has the staff to do an effective test-and-slaughter program.

Mr. McKessock: Apparently, though, in the areas where they do have a test-and-slaughter program they get rid of the brucellosis much faster. The vaccination seems to prolong it, because they are kept on the farms for 90 or 120 days and you get rid of them one or two at a time, but it keeps coming back. They should just slaughter everything within a herd if one or two went down with the disease.

I would just like to cite the case of a guy who called me yesterday. He was quite disturbed. He has 75 Holstein heifers ready for export. He started testing these heifers back in August. One of them was positive and three suspicious, and they shipped the four. Then he was on a 90-day quarantine. They came back and tested again in September and they were all negative. They came back and tested in November; one went down and two more suspicious.

Now these heifers are starting to calve and he is on a 120-day quarantine. He is going to lose his shirt on these heifers. He can't afford to keep them because he hasn't got the facilities. He is going to have 75 heifers calving, and these heifers are going to have to go to market. The farmer is the one who is going to have to pay.

I feel that all those animals should be sent to slaughter and he should come under the compensation program. It would be better for everybody, but especially for us as farmers who are trying to get rid of brucellosis. Suppose he does keep them for 120 days; they are going to have to come back every 30 days for testing, and it is going to cost the government a lot of money and a lot of trouble. They could simply get rid of that herd, which he would like. They could carry on testing on another herd and he would come out of it on a break-even situation.

The way it is, if they test, it could drag on. Suppose he decides to keep those cattle; they could come back in 30 days, find they are negative again, then test in another 30 days and find another one goes down, in which case they put him on another 120-day quarantine. This could go on at his place for a couple of years.

Hon. W. Newman: It is possible—and there are other cases; I don't know whether he is bringing cattle into his place or whether he just raises his own cattle.

Mr. McKessock: He buys the heifers in the fall and breeds them himself the next fall.

Hon. W. Newman: When he bought them, were they all tested? How were they when he bought them?

Mr. McKessock: They started to test his herd because one of the heifers he had bought was suspicious. And they kept coming back to test.

Hon. W. Newman: With the high incidence of brucellosis, I can't really recommend to the farmers of the province of Ontario that they do not vaccinate if they want to.

I am not convinced at this point that the health of animals branch has a meaningful program. But I give them credit; they have been working very diligently. Dr. McDermid is on that committee and working very diligently to come up with some sort of a program.

If you think the brucellosis situation is confusing to us, what about the confusion it leaves in the minds of the farmers out there? It's not easy for them.

We've had a concentrated effort on this for the last six months—

Mr. McKessock: It's also costing Ontario a lot of money for export cattle.

Hon. W. Newman: You don't have to tell me that. I know all this. I know there are some real problems there.

Mr. McKessock: You must have two 90-day negative tests to export to the United States, I believe. Is that right?

Hon. W. Newman: There is some concern in New York state. I've talked to agricultural people from New York state; they think it's all coming from Ontario, which is not true. They're not brucellosis-free at all. I wouldn't want to accuse anybody of anything, but with the blue-tongue or whatever it was, they stopped the importation of US cattle—I'm not sure whether this is counteraction or not, but we're all concerned.

The new program, I'm told by Dr. McDermid, will step up the testing and the movement of cattle from farm to farm and from region to region. This is the crux of the whole matter. They're going to have to move on it quite quickly. Is there \$17 million in the federal budget for that program?

Dr. McDermid: Last year they spent \$17 million on brucellosis.

Mr. McKessock: Suppose a farmer wanted to eradicate his herd—I realize you may run into some purebred herds which they wouldn't want to wipe out and would sooner go with the 90-day or 120-day quarantine

program but, as in the case I have cited let's say a farmer would rather ship them out so he could get cleaned up, because he hasn't got the facilities to look after them. Supposing they said, for a start, that those farmers who want to ship the whole herd, can do so and get compensation for them. Would that be a positive start?

Hon. W. Newman: I'm told by Dr. McDermid that if it is apparent to the health of animals branch after a few tests that the disease has not been eliminated, they will consider total depopulation and compensation. Last year there were 98 herds depopulated. So far this year there have been 44 herds handled in the same way. Maybe he should talk to the health of animals branch to see if they would depopulate.

Mr. McKessock: In the cases you're talking about, do they give total compensation for the whole herd?

Hon. W. Newman: There's a set value related to whether they're registered cattle or grade cattle.

Mr. McKessock: It's \$500—

Hon. W. Newman: We have suggested Ottawa that if your total dairy herd or good portion gets wiped out, first, you shouldn't lose any quota and, second, there should be compensation for loss of income they're going to test and slaughter. They haven't bought that particular idea at this point in time.

Mr. McKessock: They do pay \$500 for grade and \$900 for registered. Is that correct?

Hon. W. Newman: I'll ask Dr. McDermid. I'm not sure of those figures.

Dr. McDermid: Those are the maximums—\$500 for grades and \$900 for purebred.

Mr. McKessock: When they decided to eradicate these herds, did they give full compensation?

Dr. McDermid: All the animals removed are treated as reactors and compensation paid for all.

Mr. McKessock: Was compensation paid on the entire herd because they felt there were enough reactors to eliminate the whole herd?

Dr. McDermid: Yes. So far this year more than \$1 million has been paid out in compensation for the 44 completely depopulated herds to which Mr. Newman referred.

Mr. McKessock: Did you say herds were treated in this way this year?

Dr. McDermid: So far this year—that is, from April 1 to September 30—44 herds were depopulated in Ontario.

Mr. McKessock: I think that's the right step to take. I don't know how long it takes them to tell the farmer they're going to do this. I know this guy was very upset yesterday. I suppose it would be best, if they come back a second time with a positive reactor, if they automatically say they'll eradicate a herd, especially if the farmer desires it.

Hon. W. Newman: That may be true. But, again, I wouldn't want my herd eradicated if I were shipping milk. If I had a bunch of heifers and wanted to sell some, I wouldn't want to eradicate my whole herd because I had two or three reactors.

Mr. McKessock: That's right. If they would at least do it if the farmer wanted to, that would be fine; if he didn't want to, maybe he could have the opportunity to go into quarantine.

Hon. W. Newman: But you have to figure out the compensation price. I think it was mentioned yesterday that there are some bred heifers selling for well below \$500 at his point in time. We'd have to work out some sort of an agreement with the particular farmer as to what those cattle are worth. They don't always pay the top price. Did you say it was \$500 and \$900?

Mr. McKessock: It's \$500, less the market price. Right.

Hon. W. Newman: I'll ask Dr. McDermid to explain it in detail.

Dr. McDermid: The compensation policy has been changed. The compensation now determined by the federal health of animals branch veterinarian is the total amount paid to the cattle owner. That amount could be up to \$500 for a grade and up to \$900 for a purebred. The market value—what is obtained for meat purposes—is conveyed to the federal government.

Mr. McKessock: I see. They get the slaughter cheque.

Dr. McDermid: Prior to the change being made, the cattle owner received the slaughter value plus an additional amount as compensation. Of course, the compensation amounts were much lower then.

Mr. McKessock: I see. In this herd I'm talking about there are 1,400-pound heifers. They were good heifers going for export.

Hon. W. Newman: I don't know all the details of that specific case—you have a letter from him—but I'm sure our veterinary services branch would be glad to contact him,

or the health of animals branch in Ottawa if that's what he wants to do. Would you send me a letter on it?

Mr. McKessock: I will.

Hon. W. Newman: We work pretty closely with the health of animals branch.

Mr. McKessock: Since, as you say, you work closely with them, would you consider recommending to them what we suggested here? If a farmer wanted to take that course of action and eradicate his whole herd, would you push for that?

[10:30]

Hon. W. Newman: They have to make that decision, and they've already depopulated some herds. I really can't dictate policy on any particular thing. If there is a specific instance that comes up that you're concerned about, we work with them and try to work it out. But I'm not going to tell Ottawa, just because somebody got five reactors and still has his herd under quarantine, that they must depopulate the herd. They must make that decision.

They have certain criteria they work with in the testing of the cattle. I assume that after a certain period of time, if they realize it looks like it's going to be an ongoing problem, they depopulate the whole herd. I think that has to be a criterion which they set on their own. They're paying the shot for the whole thing.

If there is a particular problem that arises from time to time and you would like us to pursue it with the health of animals branch, fair enough. But the health of animals branch, outside of being understaffed and not really being able to cope with this matter—I have to fault the branch to some degree for not having enough staff in the field, but you can fault any ministry for not having enough staff in the field—if there is going to be a meaningful program on brucellosis control on a test-and-slaughter basis, is going to have to step up its program. They're going to have to really move forward with it. That's what I think you'll be seeing very shortly.

Mr. Riddell: Do you have any specifics about this program that will be announced in the near future?

Hon. W. Newman: I think it should come from Ottawa. Certainly I've got a summary here of the present situation in Ontario. But I think it would be unfair to the committee that's working on it if I were to announce anything. All I can say is that we have made strong representation that if they can't get a proper test-and-slaughter program going,

maybe they should look at selected areas of the province and say, "Okay, go in there and vaccinate. Be careful in moving the cattle. Let's clean up the areas that aren't so bad and maybe get in on a vaccination program in some of those areas." This is the sort of thing the veterinarians are doing some work on now.

I have some information here which I'll run over very quickly for you.

"As a result of discussions between Agriculture Canada and the consultative committee, changes will take place in the eradication program. Although details are not entirely agreed upon, the changes will include additional manpower for eradication work, increased restrictions on movement of susceptible cattle and increased testing, including more on-farm area testing, and a new brucellosis free-listing herd policy, which will facilitate export of cattle."

Basically, we support this if this is what they are prepared to do. That announcement will have to come from Ottawa but this is really what we have come to grips with.

Mr. McKessock: Thank you, Mr. Minister.

Another area is the marketing of hogs. You probably have noticed that Quebec seems to be taking over the hog industry in Canada and squeezing out Ontario to a certain extent. The Free Press report on October 26 mentioned that Quebec's percentage of the Canadian hog kill over the past five years provides an interesting insight. In 1971 their kill was 20 per cent and in 1976 it was 31.5 per cent, compared with 32 per cent for Ontario. And to date in 1977 Quebec is running ahead of Ontario.

This must concern you. At the Royal Agricultural Winter Fair you had a booth that showed the different Ontario product increase and what percentage of Canadian product comes from Ontario. This article says Quebec currently is greatly dependent on eastern Ontario for its supply of weanling pigs, but it's felt they are going to be moving into that area as well and producing their own pigs, which again is going to cut down on the Ontario pig population. It appears to me they are supporting their hog industry; that is a fact. They are even subsidizing the farm credit industry rates down there and they are going to expand their program to help their farmers. Have you any notion of doing similar things in Ontario to keep up our portion of the hog industry?

Hon. W. Newman: You should keep in mind that in western Canada hog production is away down because they have been able to cash-crop their crops. I don't know what is going to happen this year with the lower grain

prices. I am not sure whether wheat is down too much this year—I don't have the exact figures for western wheat; I couldn't give you an answer there—but if the price of grain drops, of course, the west switches into hogs. That has been a traditional thing for as long as I can remember. But as long as they have a cash crop to get out of it, more power to them. They do not have to work so hard in the winter time.

As far as Quebec is concerned, we have our programs in place here in Ontario. The Farm Credit Corporation is in place. There is a fair amount of expansion in the hog industry in Ontario, to the point where I am wondering what is going to happen down the road. Two or three years ago most of the Farm Credit Corporation money was going into supplying milk houses for dairy farmers. I think 11,000 loans went out for dairy production; I have forgotten the exact figure, but it was quite high. Does anybody know that figure? Was it 11,000 or 1,100? Whatever it was, it was substantial.

In other words, there is a trend beginning to show that more Farm Credit Corporation money is going to hog production. While I have indicated briefly that they don't want to overproduce in hogs, it would help if we could get a stable market in Japan; it is a big market for Ontario pork, which they like. Mind you, they are good traders; they will try to trade off one province against another in terms of price. But pork is a very popular commodity there—even more so than beef—whereas the per capita consumption of pork has really not varied a great deal here over the years. So the Japanese market could have a bearing on it.

If Quebec wants to produce its own winter pigs, we cannot stop that. Don't forget that they probably feed a fair amount of our grain to those hogs in Quebec. I would think they would, anyway. A fair amount of corn goes down there from Ontario to feed their hogs. I have a note here about the national pork seminar, held October 24-27 in Montreal; in effect, it says that pork production in Quebec is being vertically integrated heavily.

Mr. McKessock: Yes.

Hon. W. Newman: Vertical integration in pork production was tried here a few years ago, if you recall, and it did not work. Farmers are pretty smart and it did not really work effectively in this province. Maybe they will find out that it won't work so well down there either. But there is nothing we can do to stop Quebec from producing hogs.

Mr. McKessock: I realize that. But it mentions in this article that the expansion in Quebec is out of this world compared to the expansion we see in Ontario. It says:

"The Quebec hog producer has no difficulty financing his operation or making credit arrangements. The Quebec government is heavily involved with subsidies and has an arrangement where Farm Credit Corporation interest rates are subsidized."

It appears that the reason they are expanding is that it is made so easy for them. Maybe the reason Ontario isn't expanding is that they have not got the same incentive.

Hon. W. Newman: I will give you some figures here. Companies which are mainly feed companies have been said to have invested \$47 million in Quebec in the last year. That is not the Farm Credit Corporation at all. That is straight vertical integration. I would think that would be the biggest increase.

Mr. Riddell: The scary thing here is the size of these hog operations that are getting started. I have three in my area and it is just horrendous, the number of sows and pigs they are going to be finishing. I have a feeling that these will end up becoming vertically integrated as well. If the farmer can't continue to manage that size of an operation, who's going to do it? This is the thing that bothers me.

I don't mind seeing the small family farm get into the business, but when I see these large operations on thousands of acres of land and putting up buildings for 1,000 or 2,000 sows—

Hon. W. Newman: Many farmers themselves are doing it—

Mr. Riddell: That's right.

Hon. W. Newman: —and I wouldn't want to mention anyone that you or I would know personally who's doing it.

Mr. Riddell: It's the farmers who are doing it at the time being. But if they can't stay in business, there's only one kind of concern that can take it over—and that's the feed companies.

Hon. W. Newman: At this point in Canada we sell somewhere between 12 million and 16 million bushels of corn to Quebec, mainly for pork and beef. But we're still a net importer of pork into Canada. You may find that hard to believe but we are a net importer of pork. US pork is a different kind of pork, of course, but they're beginning to breed more and more of our kind of hogs, which are thinner and so on, because they realize there's a better market for them.

What I'm concerned about, if the United States, with its massive millions of bushels of corn, moves into the production of the same breed of hog as we have, is what will happen to our offshore markets down the road. I'm concerned about those.

Mr. McKessock: The part that bothers me is that we're losing our percentage of the Canadian production in a lot of products—

Hon. W. Newman: We're not losing—

Mr. McKessock: It is dropping.

Hon. W. Newman: We're producing more because a lot of the slack that was in western Canada is being picked up by Quebec.

Mr. McKessock: Ontario's percentage is dropping.

Hon. W. Newman: Hog production in the west is away off—I can't tell you the figures; I'm sure somebody here could give you the western figures, but they're away off—because they can cash-crop their crops. If corn was \$4 a bushel, I sure wouldn't be putting beef cattle on a feedlot.

Mr. Riddell: The west is still a suitcase country.

Mr. McKessock: I can understand that happening in the west, but I certainly hope Ontario will be able to maintain its production in all agricultural products.

Hon. W. Newman: We have programs for young farmers, as you know, and other programs. My concern is that we increase pork production gradually rather than ramming into it; that's what I worry about.

Mr. McKessock: Thank you, Mr. Chairman.

Mr. Ziemba: Mr. Minister, if you ever find yourself in west Toronto and about to do some grocery shopping, I'm going to recommend that you do at Darrigo's Supermarket. Darrigo's straddles Weston Road and St. Clair and it straddles York South and High Park riding associations, both good New Democratic Party riding associations.

Mr. McKessock: Is this part of that \$1-million food and expansion program?

Mr. Ziemba: No, no. This is part of the export thing. I'm getting into it very slowly, Mr. McKessock. Since I'm new to this committee, you could say I'm just feeling my way around.

If you went into Darrigo's, Mr. Minister, you'd find a wholesale type of operation geared mostly to a community made up of recent immigrants—people from Italy, Portugal, Poland, the Ukraine, Germany and so on.

One of the things you'd notice is that Kraft has a display there, but it's a very small dis-

play; most people don't give a damn for Kraft products. What you'd find, by way of cheese, is a huge counter, the length of this table, full of imported cheeses of all kinds—the aged wheels as well as the different feta cheeses, white cheeses and so on. That brings me to the question of why this is.

Why, in a province that's so rich in agriculture, are we forced to have so many cheeses coming in from Italy when Kraft has been rationalizing our cheese producers over the years? I'd like you to provide us with some figures, say for the past seven years, to show how many independently owned and operated cheese producers we have now, compared to 1970.

Along the same lines, and in response to your previous observation that we have now become a net importer of pork into Canada, in what other agricultural product areas are we net importers in Canada? I should say in Ontario; we shouldn't be speaking about Canada.

[10:45]

Hon. W. Newman: We are a net importer of beef, for instance. A lot of it is grown in the west. We could grow a lot more beef here if the return to the farmer was there and there was a—

Mr. Ziemba: More specifically, are we net importers from the United States? That's where our pork is coming from; is that what you're saying?

Hon. W. Newman: Yes, mainly backs are coming from the US.

Mr. Ziemba: Are we a net importer of milk products as well?

Hon. W. Newman: No. Believe you me, if we could find a market for some of our milk products it would be great. Anyway, talking about cheese imports and specialty cheeses, you might recall that two years ago, about early 1976, the government of Canada was planning to import more specialty cheese than the 50 million pounds they allow in now. We have the capacity in the plants in Ontario to produce 35 million pounds of that specialty cheese. We have the potential here of the 50 million pounds that are imported.

I must say the dairy farmers of Ontario and the dairy farmers of Canada fought very vigorously to stop that amount from increasing to more than 50 million pounds. I would be quite happy if they would cut it back to 15 million pounds or less because we can supply your community, which likes these specialty cheeses, from Ontario. We have made representation—and I'm sure Murray Gaunt and Ron McNeil know that we ham-

pered away, with a unified voice—to cut back the importation of specialty cheeses. We can produce most of them here and, with a little bit of time, I think we could produce them all.

I would welcome the opportunity to stop the importation of all specialty cheeses from offshore. It's not that we want to cut off your people and new immigrants in your community who want specialty cheeses. We can make it. Maybe you could talk to your friend at the store and ask him if he would like to carry some of the specialty cheeses that are made in Ontario, from Ontario milk, which are of just as good a quality as those from other countries. You would do us a favour.

Mr. Ziemba: What steps are you taking to encourage independently owned and operated cheese producers? It's not just there. One time I found myself in one of these plazas—I can't remember which one—where Holland had its cheese on display. People from Holland were dressed up in their costumes and giving out samples; they were really promoting it and selling it in wholesale lots.

It would be a negative thing to try to discourage imports; if our quota is 50 million pounds, then we have to live with it. But what steps are we taking to compete with them by way of encouraging our producers? How many independently owned and operated small cheese producers are there in Ontario now as compared to seven years ago?

Hon. W. Newman: Cheese plants?

Mr. Ziemba: Yes.

Hon. W. Newman: I can't give you those figures, but we'll get them and send them to you.

Quite obviously you weren't here for the first part of our estimates. I would like to point out that if you had been at the Royal Agricultural Winter Fair or you'd read the Toronto Star or some of the other papers you would have seen that we have launched a campaign of full-page newspaper ads. You'll notice, too, that Mr. McKessock wearing one of our buttons. We had full-page ads in the Toronto Star, the Sun and three or four other papers. We intend to expand on that as part of our promotional program.

Mr. Ziemba: But what are you doing by way of funding?

Hon. W. Newman: Funding what?

Mr. Ziemba: Funding of independent producers. Are they being plugged into OD NODC or wherever?

Hon. W. Newman: Sure. It depends on the whey utilization, the ODC and ARDA.

you look at the Ontario Gazette, which very few of us ever read, you will notice that there are certain orders in council going through on a regular basis. Through the ARDA program loans are made for whey utilization, storage and other factors.

Mr. Ziembra: That would be a great enterprise, especially for recent immigrants who have that ability. If they knew they could get funding from this government to go off in that direction, I am sure they could compete and supply the local market.

Hon. W. Newman: That's great, but we have a total allocation of industrial milk in this province; the only way they can get any milk is if they get into a specialty cheese business, which anybody can get into—

Mr. Ziembra: That's what I am talking about—specialty cheeses.

Hon. W. Newman: Our own ministry, through ARDA, provided \$3.5 million for food plants, in addition to the funding from the Ontario Development Corporation, with the Eastern Ontario Development Corporation and Northern Ontario Development Corporation. I cannot give you their figures; you would have to ask for them from the Ministry of Industry and Tourism. You can talk all you like about the problems we have, but to resolve all these problems we have to go back to tariffs.

Mr. Ziembra: I just want to take you back to your earlier statement about Ontario being a net importer of pork. In which other agricultural product areas is Ontario a net importer from the United States?

Hon. W. Newman: We can give you those figures.

Mr. Ziembra: No, not the figures. Just name them off the top of your head.

Hon. W. Newman: Just off the top of my head, I think one would be processed fruits, because they can produce them cheaper. About \$1 billion worth of horticultural products comes into Canada each year from the United States, virtually tariff-free. We feel we should be getting some credit for what they are bringing here tariff-free in the multilateral negotiations which are now going on in Geneva. We in Ontario and Canada should get a credit for the citrus fruits and all the other commodities that come in here virtually tariff-free; we would like some reciprocity in the tariff structure and seasonal tariffs on our fresh commodities.

Mr. Ziembra: We are \$1 billion in the red that? That is the credit you would like to see.

Hon. W. Newman: No, we do export; let us not forget we do export. But I am saying approximately \$1 billion worth of commodities comes in from the United States tariff-free. We think, those of us in the farming community, and as a government, we should get some credit for those, even though in some cases they are not indigenous to the province of Ontario.

Mr. Ziembra: To be offset by products that they are clamping down on?

Hon. W. Newman: Yes. For instance, boxed beef—I said it 10 times in the estimates and I will say it again: We pay 10 per cent duty on boxed beef going out of Canada; if it is a 50-pound box of steaks, that's 30 cents a pound duty, but they can bring a similar box of beef into Ontario for three cents a pound. Many countries don't have the same situation we have—a big neighbour to the south with massive production. We also have problems with the European Economic Community and Japan as well as with the United States, which is the greatest protectionist nation in the world. That is why we need a little more protection in Canada if our agricultural industry is going to survive.

Mr. Ziembra: I agree with you there.

Mr. McKessock: A supplementary to the part about the advertising of dairy products. In this \$1-million program of promoting Ontario foods, I was wondering what—

Hon. W. Newman: Mr. Chairman, we've been through this; it was in another vote.

Mr. McKessock: All right. But I just have a—

Hon. W. Newman: I don't mind answering your question, but if it's repetitious—go ahead; I don't mind.

Mr. McKessock: If it's repetitious, it's good repetition.

Mr. Chairman: I agree with your comments, Mr. Minister. We have had more repetition in this committee since we started these estimates than in any other committee that I can recall.

Mr. McKessock: I have been here for all of them, except for one day; so I doubt if there is repetition.

Have you given any thought to going to talk to these chain stores, similar to the one Mr. Ziembra mentioned, where they are promoting quite vigorously foreign imports with costumes and everything else? I think these stores probably could be embarrassed into advertising our own products, through our Ontario promotion program, in a similar

fashion. A gentleman who lives in my riding is the manager of the Food City store in Owen Sound. He does a fantastic job of advertising dairy products in the dairy month every year. He has the Ontario Dairy Princess there dressed up in an Ontario costume and not a foreign costume, and for the last couple of years he has invited me and various other people to go there for a day to help promote dairy products and talk to people as they come in. They have great displays. It is certainly Ontario products they are promoting.

What thoughts have you along this line? Where is that \$1 million going to go? Is it going to go into something like this, or part of it?

Hon. W. Newman: How long ago were you born?

Mr. McKessock: It was 44 years ago.

Hon. W. Newman: Okay. Fair enough. We've had dairy princesses in Ontario for more than 44 years. We have an Ontario Dairy Princess who travels all over this province promoting milk products. Each county has its own. I've met most of them. They're very charming young ladies. When they get up to speak they do a better job than I do in promoting dairy products. They're fantastic. They're travelling continually to promote dairy products.

The Milk Marketing Board spends more than \$2 million advertising milk products. Don't you even watch television? They have good ads. They're well done.

As far as our promotional program is concerned, as I've already mentioned, the Premier and I met with the heads of the chain stores and the major wholesaling people who offered their co-operation in the Ontario food promotion program. If you look at the ads in the paper, you'll see that what you've got on your lapel is on some of the ads already.

Next year, as we move into new packaging, one company—and I'm not permitted to say publicly which one—has said all packages must have that symbol on them. We're getting good co-operation. It's not going to happen overnight. That's the whole idea of promoting Ontario products.

I assume you were at the Food Festival. There was a whole new format at the Royal Agricultural Winter Fair this year. It looked really smart, I think, with the help of the commodities boards, with the amount we put in and the amount the Royal Agricultural Winter Fair itself put in to help promote that program. We got a lot of coverage on it.

It's up to people like you and me to promote these situations right down the line.

As far as dairy princesses are concerned, we have competitions in every county—

Mr. McKessock: My question wasn't about dairy princesses. I was just stating—

Hon. W. Newman: You were mentioning it in passing, but I thought I would let you know this has been going on. They do a great deal. They go to the Canadian Federation of Agriculture annual meetings as a rule and are allowed to say a few words. We have a Princess of the Furrow and Princesses of the Ontario Soil and Crop Improvement Association and other associations.

Mr. McKessock: My question was, would you consider visiting stores like this to try to get the Dairy Princess there, rather than people in foreign costumes?

Hon. W. Newman: You suggested the other day that the minister should go to our exhibit and stay there. Right?

Mr. McKessock: Yes. For a certain amount of time each day.

Hon. W. Newman: As a matter of course because I was here, my parliamentary assistant and my deputy minister went up to the display. The people were pouring through and commenting very favourably on it, but they didn't get asked one damn question the whole time they were there.

Mr. McKessock: They didn't?

Hon. W. Newman: No.

Mr. McKessock: Did the people know who they were?

Hon. W. Newman: The deputy minister has spent the last 35 or 40 years around this province and I assume people know him pretty well. I assume the member for Elgin (Mr. McNeil) is fairly well known and very well respected in the agricultural community.

For your information, perhaps you'd like my parliamentary assistant to expand on the exhibit out there.

Mr. McKessock: I saw the exhibit. I didn't see any of your people there. Maybe they went up after I suggested they go there.

Hon. W. Newman: No, no. I told you we had an automated display this year, which from comments we're getting—we've had some very nice letters—has been very successful. That saves staff, who we can use over at the Foodland Ontario and Good Things Grow Ontario promotions. We were working very closely with the commodities boards. We work together as a unit in agriculture—the commodities boards, the associations and the ministry.

Mr. McKessock: I appreciate that agricultural people are the best.

Mr. Chairman: That was a supplementary—and it was a pretty long one.

11:00]

Mr. Gaunt: To return to the brucellosis matter again: There are 938 herds under quarantine in the province of Ontario; it seems to me that, rather than getting better, the situation is getting worse or at least is not improving. Since we quit the calfhood vaccination program, the success of the slaughter program has been very mixed, to say the least.

Does the minister have the figures from the last few years as a comparison?

Hon. W. Newman: Yes. When I first came into the ministry about two years ago, the problem of brucellosis and what was happening was brought to my attention very quickly. It was on the upswing. As a result of our efforts with the health of animals ranch—I have to give them some credit—the programs I outlined to you today, can give you some figures to indicate that a real effort is being made and that we are moving forward.

As of the end of August, there were 1,016 herds under quarantine. At the end of September, there were 939 herds under quarantine. Today there are 794 herds we hope we can keep that trend moving down. There certainly has been a vast improvement from the end of August to today; today there are more than 220 herds less in quarantine than there were at the end of August. So it is coming down.

If the feds give the manpower they say they will give to the on-farm testing, and if they give the proper certification on the brucellosis-free herds—if they move in that direction, then I am prepared to support the federal program. But up until the last year—and I guess I am being critical; I don't like to criticize, because I think Mr. Whelan, if he had his way—

Interjections.

Hon. W. Newman: As Dr. McDermid has said there is a possibility that the current figure may go up in several months because of the more intensive testing.

I stood on a public platform two years ago and said I still supported vaccination very strongly and would urge farmers to do so. But I think we have made great strides in the last two years with the health of animals ranch; I think they are working with us.

I know a veterinarian who used to be in my own constituency, who was and is my friend—he is not very well; he has had a heart

attack—whose one ambition in life is to see brucellosis eradication in Canada. I have had some long chats with him as to exactly how he thinks it should be done, because he has really worked on it in his area. He had a basically brucellosis-free area up until a few months ago, when some cattle were brought in and created some problems.

Mr. Gaunt: That is a short-term trend, and I agree with the minister: it is impressive, and we are certainly heading in the right direction. But with this test-and-slaughter program I have noted over the past couple years that it does roller-coaster; it goes up and down. While I would like to think this would be a consistent pattern, based on past experience it has not been; it fluctuates, it moves up and down.

Hon. W. Newman: We are tightening up at the sales barns and on the movement of cattle—all the way around. There are times when somebody buys cattle at sale A, takes them to sale B, to sale C, to sale D and so on until he finally unloads them on some poor unsuspecting soul. This is one of the problems we have had, but we are tightening up as part of our inspections at the sales barns. I have met representatives of the veterinary association, and they are prepared to co-operate.

I would have to say at this point that if the feds do all the things they say they are going to do, I would have to support their test-and-slaughter program, although I did say two years ago that we should be vaccinating. I still say if farmers want to vaccinate, that is fair enough. But if we can get a meaningful eradication program going, that is by far the best route to go.

Mr. Gaunt: The minister mentioned the sales barns; that was my next point. I think this is a real problem in the system with respect to brucellosis control. I know some people in my area have mentioned that some dealers—certainly not all—are a little unethical in this respect. If a dealer buys some cattle at a sales barn and they're tested and perhaps there is a reactor or two in the group, that dealer may unload those cattle at another sales barn almost immediately, rather than placing them under quarantine and making sure that the problem is corrected.

One of the dealers in our area, who did have a certain code of responsibility to the agriculture community, found himself in the situation where he'd bought a number of dairy heifers for sale. He was actually speculating, but he took them home and had them tested, and there were four reactors.

Rather than do what some of his fellow traders may have done—take them out to another sales barn, perhaps the next day or certainly that week—he kept them. As it turned out, he incurred a substantial loss, because each time they were tested another two or three showed up as reactors and eventually were slaughtered.

The minister says the sales barn aspect is being tightened up, and I certainly welcome that from the brucellosis point of view and from the standpoint of other diseases, too. I think there are a lot of diseases transmitted by animals that are trucked from sales barn to sales barn; the stress and the strain under which they operate is conducive to them coming down with some of these diseases, which they inevitably pick up along the way.

I think there should be a real tightening up of this procedure with respect to dealing in livestock from sales barn to sales barn. It's a practice which should not be stopped, but it certainly should be tightened up.

Hon. W. Newman: We are tightening up. We will report to the health of animals branch and, in conjunction and co-operation with them, probably tightening up our sales regulations; they will probably be amended to come in line with the health of animals program. It's got to be a joint effort. We've got to share our load. It's their total program; don't get me wrong. But we are co-operating with them and tightening up. If it doesn't work, then we're going to have to look at going back to large-scale vaccination. I don't want to see that if we can help it.

Mr. Riddell: How soon after an animal is tested do the results come back?

Hon. W. Newman: I don't know. Dr. McDermid?

Dr. McDermid: This will vary. It could be from one week to three weeks. The health of animals branch laboratories have been burdened with blood samples, so the turn-around time on test results has been somewhat slower recently than it was formerly. There are cattle owners who complain, with some justification, that it takes three or four weeks to get the results back. The health of animals branch is determined to improve this situation and to speed up the results.

Mr. Riddell: An animal could change hands many times, then, before they tracked it down.

Hon. W. Newman: The thing is we're now building a better tracking system to stop the unethical people.

There is another concern we have. I know that last year there was a whole overseas load of cattle held up because of the shortage of health of animals branch people. I think it was three or four weeks before they were able to get them tested. This is all part of the program, and this is why I'm saying I would go for the test-and-slaughter program, provided they put all these things into place. Either that or go back to mass vaccination. I don't want to go back to mass vaccination.

Mr. Ziemba: Why?

Hon. W. Newman: Because of the agricultural export market. Speaking personally, and not as minister or as an MPP, when I had dairy cattle I vaccinated because I rarely bought any cattle. I kept them all at home and I went to vaccination. That doesn't mean I did the right thing. Things have changed since I was in the dairy business. Progress has been made and we are looking forward to even greater progress in this area.

Mr. Riddell: So under a test-and-slaughter program there would not be any animals with brucellosis going through a sales barn. If we are going to eradicate it through a test-and-slaughter program, I am wondering how you are going to tighten up on the sales barns. If they are tested now, and it is taking four weeks to get the results back, how are you going to keep the dealer from buying and selling in sales barns?

Hon. W. Newman: There is a preliminary test they do right in the barn, I believe. I don't know exactly how it works, but they can do a preliminary test that will give an immediate reaction. It is not very accurate; a blood test is better, but at least that is done.

Mr. Riddell: All right. If that is the case, how can a dealer pass that animal off to the next guy? Why doesn't the veterinarian simply say the animal has to go into a locked pen and be slaughtered?

Hon. W. Newman: In some cases I think they do. Do they not do that now at the sales? I will ask Dr. McDermid to explain.

Dr. McDermid: In answer to your concern, Mr. Gaunt, I don't think it is possible for a known reactor to be moved from one sale to another or from one dealer to another.

Mr. Gaunt: I agree. But if two or three head in that lot showed up as reactors, the dealer does not take the chance; he immediately boots those cattle off to some other sales barn. You are quite right in that respect: If there is a reactor, he would not

be able take that reactor to a sales barn and sell it on the market.

Dr. McDermid: Say he takes six cows to a sale and they are tested using the CARD test. The official test is the tuboglutination test. That is the one done in the laboratory, and it may take from one week to four weeks to get the results back. But at most sales the CARD test is being used. It provides you with the results immediately, although it is not the official test. If an animal is found to be positive, then the consignor can sell that animal immediately for slaughter. It does not go through the ring; it goes directly to a plant. Or he can take that animal home and then it will be tested again using the official test. But his herd would be placed under quarantine at that particular point.

Mr. Gaunt: But the CARD test is a preliminary test and nothing more. For instance, if a heifer were only a month off calving, the chances of her showing positive with a CARD test are not as great as if she were tested a month after calving. Is that not so?

Dr. McDermid: Not necessarily. The test is based on the level of antibodies in the blood of a particular animal. Certainly at the time an animal calves or immediately after there tends to be a rise in these particular disease defence bodies.

But going back to the case where the dealer consigns six animals to a sale: If one happens to be found positive on the CARD test, that particular animal must go to slaughter or back to the farm and under quarantine. The remainder of the consignment must be returned to the farm or be sold for slaughter. They must go for slaughter at the sale.

Mr. Gaunt: Is that a fairly recent change?

Dr. McDermid: It is quite recent, yes.

Mr. Gaunt: Then that's okay. I'm glad to hear that. I think that's the way it should be handled and it's the appropriate method.

Mr. Riddell: Either that or it should be announced in the ring when they come in that one of the animals might be positive. Normally, the sales barn keeps them in one pen when they come in from one particular owner. I am only going by experience; that is the way we did it when I operated a sales barn. But the announcement could be made in the ring that one of the animals in a group had reacted, and if the buyer was willing to take the chance, he'd have to go through the test when he gets those cattle home.

[11:15]

Mr. Gaunt: I tell you, if I had \$100,000 to spend on cattle, I sure wouldn't be buying any with any reactors present.

Mr. Riddell: I realize that. They're going to end up back on the previous owner's hands anyway.

Hon. W. Newman: Anyone who was to buy one that was a reactor would put his whole herd under quarantine the minute it got on the farm. I sure wouldn't be buying trouble if I could help it.

Mr. Riddell: I'm pleased to hear they're taking this action. You're talking about doing more research. Are there some things about brucellosis that we don't know?

Hon. W. Newman: Apparently there are. We get conflicting opinions of it, but I reply on Dr. McDermid's staff. I get questioned on the actual blood tests—maybe Dr. McDermid would like to—

Mr. Riddell: When you and I went to Guelph, we were told that if wild animals, particularly deer, go down to drink at a farm pond—a lot of us have farm ponds—and they happen to urinate in the pond, if our cow comes along and drinks from it, the cow can come down with the disease. You can go through all the test-and-slaughter programs you want, but if these cattle are still following wildlife such as deer, we're always going to have instances of brucellosis, are we not?

Hon. W. Newman: That's the same question I ask myself.

Mr. Riddell: Well, what answer do you get?

Hon. W. Newman: The cloven-hoof animals are subject to brucellosis, as you know. The thing is, we can't catch all of them and vaccinate them; so they will be carrying it around. It is a bit of a problem in our province but not in some provinces. We have a high incidence of brucellosis in eastern Ontario, whereas areas such as your county, I believe, have a very low incidence. I just have forgotten the exact figures but we have all those. Perhaps Dr. McDermid would comment on the cloven-hoof animals—the deer and moose and whatever else in the way of animals that carry this disease.

Dr. McDermid: With regard to wildlife, this has been a concern. We have posed the question from time to time to the federal health of animals branch; they have done work in this connection—conducted surveys, drawn blood from deer, moose, et cetera—and they are satisfied, and so are the United States Department of Agriculture authorities, that wildlife does not pose a problem as far as brucellosis is concerned. There isn't evidence that we have deer carrying the infection—certainly not in any area where they would be coming in contact with livestock. The

United States worked theirs out with what the health of animals branch found here.

Mr. Riddell: So a little bit of what Dr. Rennie told us when we were going to Guelph, we will have to take with a grain of salt?

Hon. W. Newman: After hearing that answer, I think people are in more danger of getting killed out there than are the livestock.

Dr. McDermid: There was a question respecting research. As the minister has indicated, the health of animals branch intends to conduct more research. There is also research being conducted in this connection at the University of Guelph, the Ontario Veterinary College, and that research is funded by the Ministry of Agriculture and Food.

There are two major concerns: One is the development and establishment of a highly specific test. Authorities are not entirely happy with the specificity of the present test. As mentioned before, the official test is the blood and tuboglutination test.

There is also a need to have more research done with respect to the epidemiology of the disease. I'm talking about the nature of the disease and how it spreads. You may say, surely we know all about this now. Certainly when Dr. Worton, my predecessor, and I went across Ontario selling the eradication program, we thought we had all the answers. We thought the road to eradication was clear-cut. But we have found there is a lot we don't know about this disease, including the manner in which it can remain latent in certain animals and then at a later time, when that animal calves, the infection will show itself. During that latent period a blood test sometimes will not reveal the presence of the germ of the cell or organism in the animal. These aspects are being looked at.

Mr. McKessock: Mr. Chairman, the question was asked, "Why don't you want to vaccinate?" and the minister replied that it interfered with exports. Do you want to elaborate a little more?

Hon. W. Newman: I thought I already had. There are certain countries in the world that are reluctant to take vaccinated cattle. Whether it's an excuse or a real factor, that's the way it happens to be. They will readily accept brucellosis-free cattle rather than vaccinated cattle, although some vaccinated cattle are exported too.

Mr. McKessock: Isn't it a fact too that some vaccinated cattle will show up as suspicious because of the vaccination?

Mr. Riddell: Up to 36 months or something, isn't it?

Hon. W. Newman: After two years? I'm not sure. It's possible it could show up as suspicious, yes. I'm not too familiar with the numbers, but I don't think too many would react that way. It is possible they might have a reaction. A lot depends, of course, on the age you give it. They're supposed to be vaccinated between two and six months old, is it not?

Dr. McDermid: Yes.

Hon. W. Newman: I'm not saying it's done, but I'm quite sure it's sometimes given to them slightly beyond the six-month stage.

Mr. Chairman: Any further discussion on vote 1804? I think we wandered off into vote 1805 under research in terms of brucellosis.

Vote 1804 agreed to.

On vote 1805, Agricultural education and research program:

Mr. Gaunt: Mr. Chairman, I want to ask some questions with respect to the research item under this particular vote as it relates to methane gas, the production of methanol and so on, particularly for farm use.

I happen to have had the good fortune to attend a resource conference in Washington about six or eight weeks ago. At that particular time, the day I was there, there was a demonstration by farmers in front of the White House asking the US government to fund more research into the production of methanol for farm use.

The essence of what they were saying was that farmers could get enough methanol to supply the entire fuel needs of an average mechanized farm operation simply by growing 11 acres of sugar beets or some other similar crop. This crop could be then utilized for the production of methanol. What they wanted was funding from the federal government to build a plant to do this or, alternatively, to supply additional research funds to build prototypes. Farmers could then duplicate the prototypes on their own farm or on a co-operative basis.

I'm wondering what sort of research we're doing in this respect. Methanol is not a new thing. The Germans were using it prior to the war to the extent of supplying 50 per cent of their total transportation needs—that is to say, all cars and trucks. When the war came along, and with the advent of cheap oil, they switched on the basis of straight economics: the oil was cheaper.

Methanol can be produced from garbage for 45 cents a gallon. It can be produced from wood chips for about 62 cents. It can be produced from sugar beets for about 7 cents a gallon. We're now talking in terms

of an economically viable product from the standpoint of comparing it with \$1 a gallon for gasoline or a lesser price for diesel fuel.

I'm wondering how we're coming along and if anything is being done in this respect.

Mr. Riddell: Before you answer, Mr. Minister. I noticed you were ordering coffee, I'd just like to draw to your attention that when we discussed the Ministry of Housing estimates, any time the minister ordered coffee he ordered it for all members on the committee.

Mr. Chairman: He didn't order it. I did.

Hon. W. Newman: The Minister of Housing, not being a farmer, can well afford it.

Mr. Chairman: I would suggest that next year, rather than coffee, we order apple juice or perhaps milk.

Hon. W. Newman: We might have a jug of wine, if you want to take a break for lunch.

Coming back to your specific question on methane gas and the cost of production and so on, yes, we are doing a fair amount of research on renewable energy resources. A lot of it is done at the University of Guelph. We are doing some work on solar heat. We are doing work on reclamation of heat from nuclear plants.

At the opening of our estimates, that subject came under the general administrative section. There were questions asked and I believe you were in another committee at that point. At that time I asked Dr. Rennie to explain in detail what we're doing. I'll gladly ask him to go over it again for you.

Mr. Gaunt: No, not if it has already been put on the record with respect to methanol, methane gas and so on.

Mr. Riddell: We have discussed it, but maybe Dr. Rennie could give us more information than he gave us before.

Hon. W. Newman: Sure enough, I'm quite agreeable. I'm enjoying this.

Mr. Gaunt: If it's already on the record, I can read it. If there's some additional information that Dr. Rennie can give, over and above what he's already given, fine.

Hon. W. Newman: By all means. Dr. Rennie, carry on.

Dr. Rennie: There was a task force put together by the Ministry of Energy—I can't recall exactly when, but it was earlier this year—on methanol production from various sources. John Curtis, principal of our college at Kemptonville, is representing our ministry on that. They're looking at various sources, as you have mentioned in your question, of materials that could be used in methanol

production. That study is not finished yet but it's moving along nicely.

Mr. Gaunt: When will it be finished?

Dr. Rennie: I don't have an exact date on that, Mr. Gaunt. I have some preliminary figures on it now. I can check on that. I'm not too sure. Do you know, Mr. Newman, when that study is supposed to be finished?

Hon. W. Newman: No, I can't give you an exact date, but I would like you to comment on the fact that methanol or methane gas can be produced at 45 or 62 cents a gallon. My understanding is it's somewhere around \$1.30 a gallon.

Mr. Wildman: That's what we were told in the Ministry of Energy estimates.

Hon. W. Newman: If we're talking about \$1.30 a gallon, we are not quite at that point in time—

Mr. Riddell: They don't say that in the United States.

Hon. W. Newman: We keep in pretty close touch with US work that's being done. I'm not disputing your word. I'm just saying that Dr. Rennie, who I think is one of the finest research people, keeps on top of research around the world. He's never in the office; that's why I know. I wasn't being facetious when I said that either. He certainly keeps on top of research. I know he's given many research papers in various parts of the world because of his great knowledge on research. I have to rely, and I do rely, very heavily on what he says.

Have you heard about 45-cent-a-gallon methane, Dr. Rennie?

Dr. Rennie: No, Mr. Minister. From the last report I have—I was going to send a memorandum to you in a day or two on methanol or alcohol from sugar beets—it would appear that the figure there is more than \$1. That is what our people have come up with. That does not include, if you want to compare that with the regular gasoline, any taxes.

[11:30]

Mr. Ziembra: It is being fought by the oil industry right now but once they decide they don't want to fight and they will join them, perhaps we will see a move to competitive prices. It is nothing new. In the last war, when they ran out of oil in 1944-45, the Luftwaffe flew on alcohol.

Hon. W. Newman: Not very well. They lost.

Mr. Gaunt: That's why they lost the war.

Hon. W. Newman: They did the same thing in Japan where they denuded the whole countryside of trees.

Mr. Wildman: I have seen people flying at night on alcohol too.

Hon. W. Newman: You are talking from personal experience, are you?

An hon. member: From Algoma, right?

Mr. Gaunt: I am wondering what goes into that cost. I mean, if we are talking about—

Hon. W. Newman: I hate to interrupt. On a point of privilege: I don't know what you are referring to, but if you are referring to me; not to my knowledge.

Mr. Wildman: No, no. I was just joking.

Hon. W. Newman: Fair enough. Sometimes Hansard can be misunderstood.

Mr. Ziemba: It is on the record, Bill. You are in trouble now. We'll send it out to your riding next week.

Hon. W. Newman: Fair enough! Sorry, Murray. I know this is a serious matter. I wasn't trying to be funny.

Mr. Gaunt: I don't mind a bit of levity thrown in. These subjects can get a little heavy at times.

What kind of inputs go in to make up that cost? Is one going to consider the return on investment in the land and compare what return could be achieved by growing other crops on that land? I am just talking about the processing cost. Presuming a farmer has 11 acres to spare somewhere on his land, if he grows those sugar beets there is obviously a cost to that. But I am talking about the processing cost. The information I got in the United States was that is 45 cents, 62 cents and 75 cents. I didn't get that broken down. Maybe we are talking apples and oranges here; maybe that accounts for the discrepancy.

Hon. W. Newman: The total energy produced by an acre of corn is a lot more than you could produce with an acre as far as methanol is concerned. I think that is a fair statement?

This is the sort of situation where the total energy return from an acre of corn, as compared to growing something to create methanol, is going to be higher—depending upon the price of corn, of course. The cost-benefit at this point is better by growing an acre of corn. But we are still doing research. I think \$60,000 has been allocated specifically this year from our ministry alone for research into methane gas and solar. We work very closely with the Ministry of Energy's people too; so there is no duplication.

Mr. Gaunt: If we get into the whole philosophical aspect of this, I think this is a real breakthrough area for farm people to deal

with simple technologies that can cut their costs substantially.

We have a farmer in Huron county who has built a little wind turbine. He happens to be the president of the Federation of Agriculture.

Mr. Riddell: No, it is solar.

Mr. Gaunt: Is it solar? Oh, I see. But he generates electricity from it.

Mr. Riddell: He saves 50 per cent of his fuel.

Mr. Gaunt: And he saves 50 per cent of his hydro bill. It is things like that that can substantially reduce costs on the farm. If we can develop these small technologies for individual farm use, then we are heading in the right direction. It could alleviate two problems. It could ease the cost input problem with which farmers are faced now, and it could develop a whole new field of technology—manufacturing, installation, the whole bit—and create a substantial flow of employment with that kind of program. We would solve basically two problems: a lot of our employment problem and a lot of our cost-price squeeze problem with which farmers are faced today.

Hon. W. Newman: I couldn't agree with you more. There are other things we're looking at. There are some commodities we could grow on our poor agricultural land—before producing solar heat—using waste heat from nuclear plants; we discussed that. I'm thinking of the potential down the road as our power requirements become higher. For instance, my hydro bills are pretty steep. We have put one of the little Franklin stoves in our house and we cut our own wood—I don't cut my leg off, as I almost did last weekend. All these things we're looking into to cut down costs in the agricultural industry. We're doing work on this.

Mr. Riddell: I think there's great potential in the aftermath. It's all well and good to talk about growing a new energy crop, but I think we should be looking at the amount of corn stalks in southwestern Ontario that are ploughed down and could well go into the manufacturing of methanol.

Hon. W. Newman: I think all the suggestions coming forward today are good. appreciate them. I'm quite sure we're doing a lot of work on a lot of them now. I think it was the other day that Mr. Riddell brought up the fact that these corn stalks could be salvaged and put to better use rather than ploughing them down and just having them add to the organic matter and whatever else is in soil.

Mr. McKessock: Are there any incentives to the private individual to do research on alternative energy sources?

Hon. W. Newman: I stand to be corrected on this, but I believe that comes under the Ministry of Industry and Tourism. Under the Ontario Development Corporation, loans probably would go out to the private sector.

Mr. McKessock: Just loans? Nothing in the form of grants?

Hon. W. Newman: No, not to my knowledge. Is there?

Dr. Rennie: I'd just like to comment, Mr. Minister, that we've gone out and asked for proposals in some of our energy projects. The one we have on solar greenhouse work at the University of Waterloo was a combination of university, private engineering interests, and a greenhouse grower; they're all part of that project. So, to some degree, yes.

Mr. Chairman: I mentioned yesterday, or the day before, that one of my constituents has developed a digester that will produce methanol from farm waste. We're having the matter investigated right now. He claims that if this digester can be adapted—the way he has it right now it is a small prototype—it could be put into farm use, which is specifically what he wants it designed for. He has already produced methanol. We've had one of the instructors from Northern College and two students testing the quality of the methanol he's produced from this digester. We're having it investigated right now. It's very interesting.

Mr. McKessock: It's surprising how many individuals are into solar and heat pumps and all these things on their own that nobody knows anything about. They can do it at a pretty reasonable cost.

I was thinking that if there was some little incentive, a small grant of some kind, the ministry could keep in touch with what's going on there.

Hon. W. Newman: I think the Ministry of Energy has done some work on and put money into solar heating and other forms of heating. I don't know the exact details. Maybe Dr. Rennie would.

The new courthouse in Newmarket, for instance, is going to be using solar heat. That was a result of work put into the new Government Services input by our ministry and others. They're going to use solar heat, maybe not to heat it completely, but certainly to heat a great portion of the new

courthouse. This would be a major experimental situation to see how it works.

I hesitate to mention it, but at this point in time a lot of waste heat is collected in the new Hydro building. There's a two-million-gallon storage tank underneath the Hydro building so they can recirculate that heat when they need it. They're collecting and using heat from the light bulbs and everything else.

Mr. McKessock: You could collect a lot of it in here too on some days.

Hon. W. Newman: That's for sure. I was going to say, body heat too. If they had one in the Legislature, I tell you, we wouldn't need any heat in the building.

Mr. Ziembra: Especially on the government side there is a lot of hot air.

Mr. Chairman: Oh, I won't accept that argument.

Hon. W. Newman: I could say something but I won't bother. You create a bit of heat yourself.

Mr. Riddell: A lot of it blows over my shoulders.

Mr. Gaunt: The other aspect of this is that Canada, I understand, is a world leader in wind technology. Hydro-Québec is building a big wind turbine generating plant on the Magdalen Islands, I believe. I think this technology could be applicable to farm use. I think the ministry should take a very substantial hand in this kind of promotion.

It would be well for the ministry, for instance, to make available to farmers, perhaps on request, the methods of construction to show a farmer how he can build a simple wind turbine generating system on his own farm for his own needs. That is all he can do. Ontario Hydro has the monopoly there. He cannot build a turbine to generate power for sale to his neighbour. He could only build it for his own use, and any surplus production would then move through the hydro system. But at least he could build it for his own electrical needs.

Hon. W. Newman: Or to supplement it.

Mr. Gaunt: I am wondering whether the ministry could do that. The technology is there. I just got a five-page summary from the library this morning on how to build my own solar heating panel for my home. There are five different constructions listed; I think it was from the May 1976 issue of Popular Science.

Mr. McKessock: There goes this week-end.

Mr. Gaunt: The technology is also available with respect to wind generation. I think farm people are logically adapted for it. They are in the open space and there is usually lots of wind out on the farm. Logically their situation would lend itself to that kind of facility.

Hon. W. Newman: There is a major study being done by the Ministry of Energy on wind power. I understand that any work they are doing or have done on it is available.

Mr. Gaunt: Right. Would the ministry consult with them to see what you could do?

Hon. W. Newman: I don't know whether we are that far down the road now—and this is just off the top of my head—but perhaps we should be looking at putting out some kind of a pamphlet to the agricultural community to indicate that it is available.

Mr. Gaunt: I think that would be excellent.

Mr. Riddell: Didn't the Ministry of Energy put out a brochure on solar heating not too long ago?

Mr. Gaunt: That's right. But they only did it after considerable prodding. Now they are being pushed to put out another pamphlet on wood uses and wood technology. Their argument was, "We haven't got the money to do it." The counter-argument, of course, is, "Do it and charge \$1 a pamphlet." Which they now have done to cover their costs. It is now on the rails and is going out. In fact, there is such a demand for them that they are out of print. Everybody wants them and cannot get them.

Hon. W. Newman: Is that from the Ministry of Energy?

Mr. Gaunt: Yes.

Hon. W. Newman: Did you say it was about solar heat?

Mr. Gaunt: That first one was on solar heat. And it is a good brochure.

Hon. W. Newman: Why don't we work with the Ministry of Energy and try to get out something on wind? I don't think methane has moved far enough for something on that at this point in time. But should we try to work with them on wind and solar or whatever. It won't happen overnight, to be quite honest with you. Certainly it is a good point, though, and I think it will make the agricultural community more aware of what could be available.

We have done extensive work, as you know, on the conservation of energy in

greenhouse operations, which I think has been fantastic and will help a great deal. Let us get together with the Minister of Energy and see if we can't—Dr. Rennie have you got a hangup?

Dr. Rennie: No, no. I just wanted to make a comment, if I might.

Hon. W. Newman: Sure.

[11:45]

Dr. Rennie: I have purposely dragged my feet on solar heat until we've finished a study, which should be completed within about six weeks, on the use of solar heat in greenhouses. There is a concern, Mr. Minister, that a lot of people get the idea that it's an answer to all the problems of energy, and it isn't.

Mr. Gaunt: It isn't, sure.

Dr. Rennie: The study we have at the University of Waterloo, which I referred to a few moments ago, involving a private engineering firm plus some greenhouse operators, I hope will provide us with a lot of answers which then could go into recommendation form and then go out to the industry. As soon as it's available and put into shape, that's the sort of thing that will have the dollars and cents on it. In that way no one will expect solar to provide all the answers on the cost of energy in greenhouse operations, but they'll know what realistically to expect.

Mr. Gaunt: I don't know who your contact is in the Ministry of Energy but Dr. Higgin is the person with whom I've dealt, and he's very good. He's up on all of this and I would certainly suggest, if that could be done I would support it 100 per cent.

Hon. W. Newman: If we donated and worked something out with him.

Dr. Rennie: I'd like to add to that that I sit on the Canadian Agricultural Research Council and that council, with representatives from other provinces and the federal government as well as from industry and producer groups, is pulling together all the information from across Canada on methane and other renewable energy sources insofar as agriculture is concerned. As a result, we have this information as it becomes available. We know every project that will be done across Canada in this area. Of course, a lot of methane gas work has been done in Manitoba.

Mr. McKessock: On that point, Mr. Minister, you mentioned that you weren't sure whether methane gas had progressed enough yet to put something out on it; I question that.

At least three years ago, when I was a director with the Ontario Federation of Agri-

culture, we had somebody come in who showed films and so on and gave us a breakdown on what had been going on up until that point. At that time, he said it would cost about \$1 a gallon for methane gas. He made quite an elaborate presentation.

I'm not sure where that came from, but that was three years ago. By now it should have progressed quite a bit further. Maybe there could be something put out on it.

Hon. W. Newman: That came from the University of Waterloo.

Mr. McKessock: Do you know how much that has progressed since then? They had it set up on actual farms at that time.

Dr. Rennie: Mr. Minister, on that one, the University of Waterloo work has not progressed any further beyond what you heard at that time. One of the main reasons it hasn't is that the University of Manitoba has had a good research program on that, receiving funding from Agriculture Canada and from the Biomass Research Institute at Winnipeg. We figure, let's watch that closely because they did have a good research team in place.

Their work has certainly indicated—and the climate is a lot like many parts of Ontario—that you need so much of the energy produced to heat the material that produces the methane, that it's not an economic proposition for part of the year.

The technology has improved and that's why we are looking at it now, starting this year. We're going to tie it in with our swine research program at the Arkell research station to see if we can't now develop an economic farm operation, using the basic information that has been developed.

Mr. McKessock: With the solar coming in as strongly as it is now, perhaps they could use solar in conjunction with it to produce some of that heat.

Dr. Rennie: That's what we plan to do.

Mr. Wildman: I'd like to follow through on what Mr. Gaunt was talking about.

I notice Mr. Chairman, that Dr. Rennie just mentioned the swine research program. During last year's estimates I raised the question of new experiments or ideas that were being put forward on types of buildings—for swine and how to regulate and maintain heat levels to save energy. Has anything been done further on that other than what was indicated last year?

Hon. W. Newman: About the new building?

Mr. Wildman: Yes.

Hon. W. Newman: The swine building. We have had some constraints put on by Gov-

ernment Services, but we hope that building will have a lot of innovative ideas put into it. I can't promise you, but I'm hoping we'll go to tender in July. Is that a fair statement?

Dr. Rennie: That's the latest figure we had. I have feelings it might be delayed a bit beyond that, but that is the indication at present.

Mr. Wildman: Are you intending to incorporate any of these things we've been talking about this morning in that building?

Hon. W. Newman: Yes. That's one of the reasons it's going to cost so much money.

Mr. Wildman: Is it possible for you to elaborate a bit on that?

Dr. Rennie: If I might, Mr. Minister, that swine research centre will have a liquid manure system. It will be set up so that the pipes taking liquid manure from the production units will flow one of two ways, or both. One would go to the regular storage tanks and would feed to the fields at the appropriate time. The other will go into the methane gas production unit. That's the one part.

The other part will be the solar aspect. We're going to try it on just one wing of the building so that we can make comparisons with the other in terms of costs and so on. Although it's not tied into the point that was just raised, we will use some of the heat produced by the solar unit to heat the methane gas digester. That will be possible. It's not in the initial plan; that would be perhaps a second phase.

Mr. Wildman: I'm quite interested in this whole question of methanol which, as Mr. Gaunt said, was discussed during the Ministry of Energy estimates.

In the southeast section of my riding in Algoma, in the Blind River-Mississagi area—the Mississagi watershed—we have a large amount of cutover timber areas that were also burned in a very serious, disastrous fire, in the late 1940s and where a lot of poplar brush has been growing up.

I'm just wondering what experimentation has been done and what relationship you have had with the Ministry of Natural Resources, as well as with the Ministry of Energy, to look at areas of bush land that are not as valuable as they once were. I don't expect you to go over all this if you've dealt with it prior to my coming in.

This area in Mississagi was very important at one time for the production of veneer, and there is still some possibility of the production of veneer, but you need very high-quality timber and there just isn't very much left. The Ministry of Natural Resources has various

estimates—it depends on who you're talking to—to say there might only be anywhere from three years to five years or, at the outside seven years, of veneer production left in the area. There's a mill in Blind River that has been closed for some time but in the near future there is hope to reopen it for the production of veneer, although it isn't a long-term prospect for employment.

With the amount of less valuable timber that has grown up in the last 15 to 20 years in the area, I think the whole question of methanol is central. I just wonder what kind of contacts you've had with the Ministry of Natural Resources in that area and how the three ministries are co-ordinating whatever efforts they have.

I think there may be one problem in the area. The Ministry of Energy and Hydro have some proposals for a nuclear power plant in the area. There have been a lot of studies done but we don't know exactly what is going to happen there. I am wondering whether Hydro perhaps should be more enthusiastic about the possibility of methanol production in the area rather than putting their eggs in one basket.

It seems to me, with the employment problem, and as methanol becomes more of an economically viable energy source, that Blind River would be the logical place for a methanol plant. There is a lot of rocky, less valuable agricultural land that was cleared during the pioneer days but which is not being used now. Perhaps a lesser valuable species of trees could be planted in those areas for future production if a methanol plant were looked at.

I would hope that the three ministries involved would study the possibility of methanol production as a source of energy and of employment, as well as to use the resources in the area.

Hon. W. Newman: I have a couple of comments. As you know, the Ministry of Natural Resources has been producing the very fast-growing poplars; it has been supplying us with the material to do work on the digestibility of the product for cattle feed. That is number one.

The methanol group that is working as a task force includes the Ministry of Natural Resources, the Ministry of Energy, the Ministry of the Environment and ourselves. They are all involved in it. It is a co-ordinated effort.

Mr. Wildman: I intend to discuss this during the Ministry of Natural Resources estimates as well. But I hope that whatever developments take place with methanol—and I know it may be some time in the

future—you will look at the north shore of Lake Huron, and the north channel as an area that is well suited for this kind of production, if it becomes viable.

Mr. Chairman: Orono is better.

Mr. Wildman: Oh, sure. I will admit that. You can understand why I would be interested in talking about—

Hon. W. Newman: He was saying his area was better for moose hunting than yours.

Mr. Chairman: And methanol production, I might add.

Mr. Wildman: I won't get into an argument with the chairman on this—

Mr. Chairman: I don't intend to.

Mr. Wildman: I just want to point out that we are on the main transportation line in northern Ontario.

I would also like to ask the minister if he could tell me what research is being done on blackleg. As I mentioned earlier in the estimates, it has been a problem in my area this year as it has been in the past. Last year it was a problem in Manitoulin too. Can you tell us what sort of work, if any, is being done on that?

Hon. W. Newman: The main thing we are doing is vaccinations, which is a very simple, straightforward and cheap way to control it. I guess the main thing is the promotional program to encourage farmers to do it because it remains in the soil, and you never know when you are going to get an outbreak of it. Research has come up with a good vaccination—

Mr. Wildman: There's no question about it.

Hon. W. Newman: —that can be supplied to the farmer cheaply. I don't know what further research is being doing on it at this point.

Dr. Rennie: We are not doing anything.

Mr. Wildman: Then the thrust is—

Hon. W. Newman: We have found the solution. It is a matter of convincing people to use the solution.

Mr. Wildman: Fine. That is acceptable. I don't have anything further, Mr. Chairman.

Mr. Riddell: I would like to talk about education for a minute. I notice there is \$500,000 more for education this year than there was last year. How is that extra money being spent?

Hon. W. Newman: More students. There is a larger enrolment and, therefore, more

osts. Our colleges are almost at capacity. We do some selection on the entrants, however, because I believe we were not able to take all the students last year. But all the students who were really interested in agriculture were taken in.

Dr. Rennie: That's right.

Hon. W. Newman: We try to make sure we have the kind of students who are interested in following a career in agriculture or in jobs in the agricultural industry. Some of the courses do have quotas; for instance, animal health technicians. Up to this point a time we have accommodated about 1,400 students.

Dr. Rennie: It's 1,320 this year.
[12:00]

Hon. W. Newman: We're finding a good portion of those students are going back to farming—I think it is well over 50 per cent—and others are mostly going into agriculture-related industries.

It's quite interesting to note that our agricultural graduates are among the highest percentage who obtain jobs. I mean no disrespect to any other ministry in the government, but we have a very high percentage of job placements with graduates.

I've just been handed some figures which indicate that about 75 per cent of all graduates intended to go into full-time farming.

Mr. Riddell: Does that relate to last year's graduates or to graduates over a period of time?

Hon. W. Newman: It's for the alumni years 1957, 1962, 1967 and 1972, according to a survey that was done. Perhaps this means that of those who return to eat and dance at the alumni gathering, three quarters currently are farmers. Is that what it meant?

Dr. Rennie: I guess so.

Hon. W. Newman: I think that was just an added paragraph.

Mr. Riddell: What are the job opportunities for graduates next spring?

Hon. W. Newman: I really can't answer that question.

Mr. Riddell: Dr. Rennie said there was no problem.

Hon. W. Newman: I really can't comment.

Dr. Rennie: Mr. Chairman, I might comment on that. Certainly it has not been a problem. Up in your area, Mr. Riddell, of the graduates from the agriculture program at Centralia College this past May, 80 per cent were returning to primary agriculture.

The figure of 75 per cent which the minister used is the general figure across all of our agriculture programs. About 55 to 60 per cent go back to farming, and the rest into support industries.

To date there has not been a problem in finding employment for our graduates in the various agricultural programs. I don't anticipate it this year either. Demand is strong.

Mr. Riddell: I'm glad to hear that.

Mr. Wildman: Is that also true of New Liskeard?

Dr. Rennie: Yes.

Mr. Riddell: Have you given Centralia College any more money to repair some of its buildings? It's my understanding that in the winter time some of the resident students are living in almost freezing conditions. They're having trouble keeping the lecture rooms heated.

Mr. Wildman: If it was built before 1921 they can put in new equipment.

Mr. Riddell: Is anything being done to put some of these buildings into a better state of repair?

Hon. W. Newman: I think ODC owns the property. We've had some discussions with them and, while I can't tell you specifically what has been done, I know something has been done. They're putting in new windows now. There's something else on the drawing board, I believe.

Mr. Riddell: What's on the drawing board? A new residence?

Hon. W. Newman: Right.

Mr. Riddell: I'm glad to hear that.

Hon. W. Newman: Don't look for it in a hurry. There's a restraint program in Government Services. But we are pushing for it.

Mr. Ruston: The Treasurer has got his hand on the money.

Mr. Riddell: I'd like to throw out a suggestion. Maybe the minister and Dr. Rennie can comment on it.

I think you understand how the program works at Centralia. It is not a research farm or institution, such as we have at Ridgetown or Kemptville. They have what they call project farms, where the students become involved with a project farmer and follow his operation. I believe it is a good program.

I was wondering if we couldn't get a more in-depth study for these students. For example, we might actually contract with the farmer so the student actually becomes involved in making the decisions as to the operation and the management of that farm.

It may well be that you're going to have to pay your project farmer anywhere between \$10,000 and \$20,000 a year. The student would actually become involved in making the decisions; it might be a decision to try a new piece of equipment or a new crop, but the student would be actively involved. The equipment would come under the ownership of the farmer but the student would actually become involved in the decision-making. Between the first and second year, the student might even spend a month working on that farm. Then, after two years, when he graduates he can return to the farm to see if some of the recommendations that he made are actually working.

It's a new concept. I don't know of any other jurisdiction that has this kind of a program. I think it might be worth looking at to get the students more involved so as to get their feet wet in the decisions they make. If the decisions don't happen to turn out, the farmer is not going to lose all that much because we are compensating him for any possible losses he might incur as a result of the program. It's just a suggestion.

Hon. W. Newman: It's a good suggestion. We're doing some experimental work of this kind up at New Liskeard. My own personal comment would be that if I was in farming and I made a contract with one of the community colleges or one of the agricultural colleges for a student to come out—I would sign a contract so the student could go over my books and all the other things that are involved in learning about farming—I would certainly welcome the student's suggestions because I think that's where you get your new ideas.

But, as a farmer, I don't really think I would want a student to tell me that I had to do something. If you're saying, a student would come out and tell me, as a farmer, that I'm inefficient in certain areas, I would find that hard to take. I would give some thought, however, to suggested changes and recommendations.

Mr. Riddell: That's the way it works now, Mr. Minister. They make recommendations after the course is completed. But it must be discouraging to them to see a farmer carry on in the way he has always been farming, despite any recommendations made to him to change his operation whereby he might become more efficient and end up with more profit in the long run.

But if the farmer were to enter into a contract whereby he would not only be compensated but would have to adopt some of the suggestions and decisions made by

the students, then it would be more meaningful to the students and perhaps more meaningful to the farmer too.

I know a lot of the project farmers in Huron and other counties and I know full well that there have been excellent recommendations made by the students in conjunction with the staff. But these recommendations are never really put into effect.

Hon. W. Newman: Isn't that personal choice? A person who owns and operates a farm shouldn't have to be told what to do. If a student came out and suggested things to me, I would hope I wasn't so fixed in my ways that I would not to be prepared to listen and perhaps follow through on some of his suggestions. But my personal feeling is that if a student came out and told me what I had to do, I would find that rather repugnant.

Mr. Riddell: But you're operating more like a partnership. Certainly such a farmer has got to help in the decision-making process; and if he feels that a new crop or a new piece of machinery is definitely not the answer, then he has the right to say so.

However, if he thinks it might not be such a bad idea and he goes out and buys the new piece of equipment or puts in the new crop, he's being paid between \$10,000 and \$20,000 a year just in case the new crop doesn't pan out. He's not going to be out any money, and the students are going to learn, not only through theory but also through practice and experience. That would be a more in-depth kind of a program. Maybe I'm way out on left field—

Hon. W. Newman: I think that's where new concepts come from. I don't quite buy it because we do have ag reps in the field and specialists in various aspects of agriculture who will go in and make recommendations. As you know, we are getting more and more specialized. I doubt very much that too many farmers will halt production today in any meaningful sort of way. If they don't take advantage of the expertise we have within the ministry, then they are very foolish. I know a fellow not too far from me who knew it all. I was a city boy and he didn't take any advice from anybody. He didn't last very long either.

Mr. McKessock: Supplementary to that, think maybe Mr. Riddell has something there. I assume the project farmers are the better farmers because you want them to have a good influence on the students. I think Mr. Riddell is talking about farmers who might be in financial or management

difficulties and requested some help where changes could or should be made. That wouldn't leave out your people from the ag reps office. They could be involved, as well as the students. They would all be involved in a process to make that farm become more viable, thus making it quite meaningful to the student.

Hon. W. Newman: We do have farm management specialists who will go to any farmer and sit down at his kitchen table and go over his total financial picture with him. I'm sure, as a result of this kind of work, many farmers have been helped. I only wish this service had been available when I was a farmer, because I'm certain made many mistakes.

Mr. McKessock: I agree with that, but this is an opportunity for the student to be involved with them.

Hon. W. Newman: That's true. I agree that the students can make recommendations to them and that perhaps the ag reps could follow up on these suggestions. But I still have to say it would be repugnant to me to have somebody come in and tell me, as a farmer, that I had to do something.

Mr. Riddell: I think you have placed the wrong interpretation on what I've been trying to say. The farmer definitely has to be part of the decision-making process; and if he's not in agreement with some new idea that the students might come up with, then that's his right and there's no way that he's going to be forced to go along. If he thinks the students and the staff have a pretty good idea and he's willing to go along with it, so be it. And you, if it doesn't pan out, the guy who's going to be the loser is the farmer. This is why I say he probably is going to have to be compensated for any losses that might take place.

It's all well and good that the students go to these agricultural colleges and get a lot of theory poked at them and then go out and work a little with some of these project farmers, but unless they see some of their recommendations come to fruition, I'm not too sure they've gained an awful lot.

Hon. W. Newman: Keeping in mind the number of students who go back into direct farming, if they see a farming operation which they feel is not being run as efficiently as it should be and make recommendations, surely they can put that into practice when they go back to farming themselves.

Mr. Riddell: Yes, but not all of them are going back into farming.

Hon. W. Newman: As we said, about 80

per cent of Centralia students go back to farming.

Mr. Riddell: As a matter of interest, what percentage of the farmers do you feel you are actually reaching through the agricultural representative or the staff in his office?

Hon. W. Newman: A pretty high amount, from the flak I'm getting.

Mr. Riddell: Then it certainly has changed, because when I was in the ag rep service, they figured it was about 10 per cent.

Mr. McKessock: It would be a pretty easy figure to get, I suppose, if you knew the number of farmers in the county.

[12:15]

Hon. W. Newman: There were more than 22,000 individual consultations on farm management by the extension branch in the last year.

Mr. Riddell: But how many of those consultations were with the same farmer?

Hon. W. Newman: I can't tell you that. But, considering the number of farmers we have in the province, 22,000 consultations with individual farmers in our farm management extension part of it alone is a pretty good number as far as I'm concerned.

Mr. McKessock: How many farmers are there in the province?

Hon. W. Newman: That all depends on what kind of farmers you're talking about.

Mr. Riddell: Getting back to this other matter, I've never discussed this with the principal, Jim MacDonald—

Mr. MacDonald: Good fellow!

Mr. Riddell: Yes, he is.

Hon. W. Newman: I'm not sure he leans your way, but he's got the right name as far as Mr. MacDonald is concerned.

Mr. Riddell: The idea crossed my mind as I sat across the table from a good many of these project farmers. I have been there when the students have come in and have been looking at his books and his operation with a real interest. They take a real interest in what that farmer is doing if they're assigned to a particular project farm. I just thought it would be nice if the students could actually see that their recommendations did lead to a more efficient operation.

Hon. W. Newman: I couldn't agree with you more. I only wish the farmers would take their advice. But I have to go back to my original point—how do I say this without hurting? For students who have graduated from Guelph or one of the other agricultural colleges and return to farming with their fathers, it's sometimes a little difficult—I want

to word this carefully—for them to convince their—

Mr. MacDonald: Persuade the old man.

Hon. W. Newman: That's right. You said it. This is a bit of a problem.

Mr. Riddell: By the same token, if your son goes into business with you, you had better be prepared to let him make some of the decisions.

Hon. W. Newman: I agree.

Mr. Riddell: You can't simply slough it off by saying, "There's no way I'm going to let my boy talk me into doing this, that and the other thing." You're going to have to go along with him. That's all I'm saying about these project farmers. Give them the opportunity to go along with some of the suggestions of the students, and give them some compensation just in case things fizzle out.

Hon. W. Newman: Let me give you a good example. When I first graduated from Guelph in 1951, which was a great year, one of my colleagues came in with a massive program for my dairy cattle. I said, "Sure, that sounds great. Let's go to it." But at the end of six months I was losing money, so I had to change my program. I only use that as an example to show that you have to mix common sense with technology.

Mr. Riddell: Absolutely!

Mr. McKessock: In a lot of businesses, it takes more than six months to start to make money.

Hon. W. Newman: I soon found out that.

Mr. Riddell: I have a feeling that maybe five years from now some of my suggestions might be put into practice.

Hon. W. Newman: They're certainly in the record, anyway. Maybe you'd like to talk to Dr. Rennie afterwards. He can give you some details as to exactly what we're doing in New Liskeard. If anybody wants to say anything on education, I'm quite prepared to—

Mr. Chairman: We have Mr. Ziemba next.

Mr. Ziemba: Thank you, Mr. Chairman. Driving around this province in the last year or so, I couldn't help noticing how many deserted and run-down greenhouses there are. I wonder if the ministry has taken a survey of the greenhouses that are no longer in operation.

Clearly because of the high cost of energy, many small operators no longer find it viable to carry on. The obvious solution, of course, is to look to solar heat. I was pleased to receive two press releases with regard to solar greenhouses. Dr. Rennie talked about

one, the Co-operative project with labour, private interests and government in Waterloo. Another one that was of particular interest to me was a greenhouse which not only makes use of solar panels but also conserves the heat by a thermal layer over the earth. I wonder how far you proceeded along that line.

I was a bit disturbed to hear Dr. Rennie say he has been dragging his feet on solar. I have written down his words, "dragging our feet on solar," in regards to this Waterloo project. Because of the disruption in the greenhouse industry right now, I think a lot of people are looking to this government for some quick answers. The sun is the obvious answer because the sun does not send you a bill at the end of the month. But my sense is that we are not going to get full use of the sun until Imperial Oil or Gulf can get a pipeline built from it.

I would like to see the program stepped up and more co-operation with the Ministry of Energy, Hydro, the Ministry of Natural Resources and whoever else you can talk into it; perhaps you could come up with a Crown corporation to produce solar panels. This is not as radical as it sounds, because Mr. Beck thought of it before we did. It seems to me that is the rub. These things are really expensive to produce, and that is why we don't have widespread use of solar these days. But if we could take the profit out of that part and—especially with the farm community—get these panels in the hands of people who are owners of greenhouses that are no longer viable, I think you would perhaps be saving an industry.

Can you give me some answers with regard to an inventory of greenhouses? How many have been closed down over the past year or two?

Hon. W. Newman: There are two or three things I want to make clear. I want to set the Hansard record clear that Mr. Rennie said he was "dragging his feet" on putting out information on solar heat. I don't want to put words in his mouth, but he was implying solar energy is not the be-all and end-all of solving all the problems. He wanted to be somewhat cautious in putting out information that it would be a great panacea to solve all the problems. I think that he is no "dragging his feet" as far as the work that is being done. I think that the record should be set straight.

As far as greenhouses are concerned, yes there are some areas with a lot of empty greenhouses today. We don't have the exact figures, but a lot of greenhouses are empty because of tobacco people who bought up brights from some parts of the province and

moved them to another part of the province. Thus the greenhouses or the kilns are no longer needed.

As for thermal blankets for greenhouses, we are doing experimental work at Vineland on that at the present time. We are also looking at the underground heating of the soil to save heat.

We are also looking at taking the heat that is generated in the daytime in a greenhouse—even on a cold winter day—and recirculating that heat underground, perhaps through a bed of rocks or stones. The stones would be heated during the daytime; then the reverse thing would be going on at night to supplement the other heat. It would be drawing the heat off those stones to circulate in the greenhouse. This is the sort of experimental work we are doing.

I don't know exactly how many people have gone out of the greenhouse business, but I believe our total acreage under glass has not gone down. If anything, it has gone up in the last few years.

Mr. Ziembra: I would challenge you there. In the Metro area the large operators are still in business, but most of the small operators have closed down. The glass is broken and the greenhouses just seem to be abandoned. This is all around Metro, going up toward King City, Woodbridge and the area around there, where there have been many greenhouses over the years.

Hon. W. Newman: You are probably talking about the florist industry.

Mr. Ziembra: No, these are tomato growers—and people with flowers or one thing or another.

Hon. W. Newman: If you are talking about the tomato greenhouse industry on a commercial basis, if you would like to drive out my way you will certainly see a lot of new greenhouses going up. About three acres went under glass about three miles from me, and I can take you down the road where another acre has gone under glass.

These you mention were probably small operations and probably were not viable for the particular situation. I don't know.

Mr. Ziembra: Would it be a lot of trouble to come up with an inventory of abandoned greenhouses? I think it would be useful information to have. If there are a lot that are marginal and abandoned, perhaps you could gear your research, not only to greenhouses but with a view to converting existing greenhouses to solar.

Hon. W. Newman: I have some figures here that might be of interest to you; they relate to the greenhouse industry in Ontario and

Canada. For Ontario, the total area under glass and plastic in 1973 was 24,058 square feet; in 1974, it was 24,368 square feet—

Mr. Ziembra: That doesn't tell us anything. We don't know what we had five years ago. What was it before the oil price increases?

Hon. W. Newman: I'm giving you 1973, 1974 and 1975 figures. I think we've had some substantial increases in oil prices since then. In 1975 there were 24,241 square feet under glass or plastic.

Mr. Ziembra: Your argument is that it hasn't affected the greenhouse industry that much?

Hon. W. Newman: These figures indicate there's still the same amount of glass. The florist industry, of course, has grown. We could be talking about how they can fly in certain varieties of flowers straight from Mexico and sell them cheaper than we can grow them here. This gets us back to the whole tariff thing.

Dr. Rennie: Mr. Minister, could I comment that what appears to a person driving along the roads around urban areas and so on as an abandoned greenhouse could very well be greenhouses that are using these one-season plastic materials. If you drive by at this time of year, it is not there—

Mr. Ziembra: Oh, no. I have a relative who does that. I know how that works. I'm talking about greenhouses that have the glass broken out. The reason they use one-season plastic is so they're not assessed as permanent structures. I understand that's the reason they're used. Even those seem to be on the wane. I don't see as many of those around as I did a few years ago.

Hon. W. Newman: Maybe people living in glass houses are throwing stones. Maybe there is a problem with urban growth and there are problems with glass being broken.

Mr. Riddell: There have been 50-acre farmers too.

Mr. McKessock: Mr. Minister, did you say flowers have been flown in from Mexico?

Hon. W. Newman: Some flower varieties actually can be flown in from Mexico and South America—

Mr. Ziembra: Is this allowed by the Department of Agriculture disease control branch?

Hon. W. Newman: It's part of our whole tariff structure, which is terrible. In all our discussions and deliberations in these estimates on the future of the agricultural industry, so much of it hinges on the total tariff thing. It's amazing. People say we're passing the buck, but we're trying to do what we can. For years and years they've been trading

off agricultural commodities for other things. It's got to stop if we're going to have agriculture—

Mr. Ziamba: Why don't you talk tough to them? What the hell.

Hon. W. Newman: Talk tough. Why don't you come with me to some of these meetings?

Mr. Ziamba: One state, California, went to General Motors and demanded a certain kind of car. Can you imagine? At first they were laughed at. They wanted certain emission controls on their cars. They got it. One state stood up to the Big Three. They've got a car for California and a car for the rest of us.

Hon. W. Newman: If you don't think I haven't stood up to the appropriate people in Ottawa, then you should have been with me when we made our presentation—

Mr. Ziamba: Take me down with you next time.

Hon. W. Newman: Well, certainly—

Mr. Ziamba: I'll bring my wife with me too.

Hon. W. Newman: I think we have made a united effort with all the agricultural organizations to make the point very clear. As a matter of fact, the province has made itself very clear as far as agriculture is concerned.

Mr. Chairman: Members of the committee, ladies and gentlemen, it's 12:30. We'll adjourn until Monday evening at 8. I might remind the members of the committee that following the question period tomorrow, if you're interested in discussing with the Milk Marketing Board the problems of milk quotas, you should be at 50 Maitland Street. Okay?

Hon. W. Newman: Just so I can inform the minister who's following me, do you intend to take the full two and a half hours on Monday night?

Mr. MacDonald: As far as I'm concerned, the answer is no. I can't be here.

Hon. W. Newman: Because of the time frame, I'd like to let—who's following me? It's Environment, is it not?

Mr. Wildman: Mr. Chairman, I don't have very much.

Mr. Chairman: I might remind the members of the committee that we have approximately two hours and 10 minutes left for Monday night.

Hon. W. Newman: Should I tell the minister to be on standby? As a courtesy to him, I'd like to let him and his staff know.

Mr. MacDonald: Environment? To pick up when we finish?

Hon. W. Newman: Right.

Mr. MacDonald: That's a dicey question. I'll leave you to answer that.

Hon. W. Newman: No, no. I just want to know if I should put him on standby.

Mr. Wildman: Sure, if we knock off early.

Mr. Chairman: I don't think it would be wise, because it would leave us approximately 20 minutes before we close.

Mr. MacDonald: By agreement here—and as far as I'm concerned, I can't be here; I apologize for that—could you say you could do it in a hour and have him on standby at 9 o'clock?

Mr. Chairman: Right.

Mr. Ziamba: It's not fair to him. What if we go until the end and he's sitting around all night for nothing?

Mr. Chairman: We'd wind up by about 10:10. There would only be 20 minutes—

Mr. MacDonald: Perhaps we could get an agreement here that we're only going to take an hour, then at the end of the hour determine to cut it off.

Mr. Chairman: It is up to the committee to decide whether it wants to debate the balance of vote 1805 for the full two hours and 10 minutes. Or does the committee agree that we should take an hour and then call in the Ministry of the Environment?

Mr. Riddell: The NDP critic will not be here. I have not got a great deal to say. I do know that the member for Huron-Bruce (Mr. Gaunt) wants to say a little about the Agricultural Museum, but I don't think he will spend a great deal of time on that. So I just cannot see how we are going to be much more than an hour.

Mr. Chairman: Perhaps we could muzzle him for an hour and 10 minutes, and we could use the other hour and a half for Environment. Is that agreeable? Agreed? Thank you very much.

Hon. W. Newman: We will see you at the Milk Marketing Board. I anticipate we'll be through with the Amish thing.

The committee adjourned at 12:31 p.m.

CONTENTS

Thursday, November 24, 1977

Agricultural Marketing Program	R-925
Agricultural Education and Research Program	R-938
Adjournment	R-950

SPEAKERS IN THIS ISSUE

Daunt, M. (Huron-Bruce L)

Havrot, E.; Chairman (Timiskaming PC)

MacDonald, D. C. (York South NDP)

McKessock, R. (Grey L)

Newman, Hon. W.; Minister of Agriculture and Food (Durham-York PC)

Riddell, J. (Huron-Middlesex L)

Ruston, R. F. (Essex North L)

Wildman, B. (Algoma NDP)

Ziemba, E. (High Park-Swansea NDP)

Ministry of Agriculture and Food officials taking part:

Dr. K. A. McDermid, Director, Veterinary Services Branch

Dr. J. C. Rennie, Executive Director, Education, Research and Special Services Division



Ontario

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Legislature of Ontario Debates

Official Report (Hansard)
Daily Edition

Resources Development Committee

Estimates, Ministry of Agriculture and Food
and Ministry of the Environment



First Session, 31st Parliament

Monday, November 28, 1977

Speaker: Honourable John E. Stokes

Clerk: Roderick Lewis, QC

CONTENTS

A list of the speakers taking part in the debates in this issue of Hansard appears, in alphabetical order, at the back of this issue.

Daily contents of proceedings also appears at the back of this issue. Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff. Phone 965-2159.

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LEGISLATURE OF ONTARIO

MONDAY, NOVEMBER 28, 1977

The committee met at 8:15 p.m.

ESTIMATES, MINISTRY OF AGRICULTURE AND FOOD (concluded)

On vote 1805, agricultural education and research program:

Mr. McKessock: Just to carry on a bit since our last meeting with the Milk Marketing Board, it appears to me, even since then, it would be beneficial to have the market share quota set at a definite price. Since then I have heard of a case where 12 cents a pound has been paid for the market share quota. He bought 150,000 pounds. Fortunately for him, only 30,000 pounds had been used this year. That cost him \$19,000, plus \$700 to pay for a few cows.

The saving part here for the established farmer is that he was going to lose \$14,000 of surplus milk without having the quota. Actually this \$19,000 quota is going to cost him only \$5,000. But a new person or a young fellow coming in doesn't have that alternative. He's got to pay for the whole thing and he has nothing to gain, as this farmer had. Because he was going to lose \$14,000, it meant he felt it was a good enough buy. If the price had been pegged at a lower figure, then the younger farmer could have had a chance to buy that quota as well. As it stands now at 12 cents, I think only the well-established farmer has the option of buying it.

Another statement that has been made in the paper which is very unjustified and which is one that annoys the dairy farmers very much was made by Dr. Joe Meiser, dairy commodity leader for the Ministry of Agriculture and Food.

Mr. Chairman: I think you're out of order on this. We've already completed the discussions on vote 1804 and we're on 1805 now. What we're concerning ourselves with now is the agricultural education and research program. We spent a considerable amount of time on the milk marketing situation and I don't think we're going to resolve the problem here tonight by your further discussing it. I would suggest we stick with vote 1805 to try to complete it by 9:10 tonight.

Mr. McKessock: Mr. Chairman, I think what I'm starting on tonight does come under research, because it points out where the Minister of Agriculture and Food is saying that within the next two years we're going to have to lose 3,000 dairy farmers. This must be research or something that they're looking into here. They say the number of dairy farmers has to drop to 10,000 from the present 13,000 as small farms will be taken over by larger operations. The statement says the number of dairy cattle will also be reduced through efficiency. It says that Ed Smith of the ministry's milk quality branch said the ministry will use its power to refuse to sell milk from Ontario farmers who chronically produce quality milk. That is more or less threatening that that is one way of reducing the farmers.

Hon. W. Newman: To produce what-quality milk?

Mr. McKessock: It says the ministry will use its power to refuse to sell milk from Ontario farmers who chronically produce poor quality milk.

Hon. W. Newman: Poor quality.

Mr. McKessock: The statement says milk producers must become more efficient. I was of the opinion right now that dairy farmers were pretty efficient but this statement says: "They must become more efficient and must reassess the concept of government subsidies and high tariffs to become more competitive and reduce prices."

A statement like that has got the dairy farmers a wee bit up in arms. Somebody from your ministry says that 3,000 dairy farmers must disappear and that dairy farmers must reassess the concept of government subsidies and high tariffs, become more competitive and reduce prices. Do you know what this statement was made for?

Hon. W. Newman: I read the statement that he made. It was brought to my attention last Friday and I did read it over the weekend. I don't have it with me, unfortunately, but I think that a lot of these remarks that you are talking about were made by him in the question period after he talked to the Ontario Dairy Council.

If I understand it correctly—because I had a little chat with him about exactly

what he had meant by what he said—there was no pressure put on me at all. He was saying that farmers are efficient but there is room for more efficiency down the road. If you take a look over the last five years at the increased production per cow, as far as efficiency is concerned in the province of Ontario you'll see exactly that is really what he is talking about; getting more production per cow.

He said that maybe 3,000 dairy farms—I've forgotten the exact wording there—may be out of the business in a matter of a few years. One would dispute that figure, because we have been losing, on the average, about 900 producers a year in a normal situation anyway over the last five years. One farmer sold out and sold his quota to another farmer who wanted to improve his lot, so that actually by attrition—I am not saying that the 3,000 figure is right—but by attrition we have been losing about 900 producers a year, and it looks like it is levelling off some now.

You were talking about paying 12 cents for MSQ. The price is, of course, a decision of the board, as you well know from being there last Friday. You said he had to pay \$700 a year extra for a few cows. I don't know what you meant by that, because you buy about a cow and a half for that money.

Mr. McKessock: That's one cow; \$700 per cow.

Hon. W. Newman: Okay. Last year, if you recall, and I am going by memory, I believe the board did set the price for MSQ but it varied about two and a half to three cents—I have forgotten the exact figure; somewhere in that neighbourhood—and the quota just didn't move. This year, last April, the board decided rightly or wrongly, to put it on the open market and it was selling last April for around about three cents a pound. In fact, it varied around three cents, and because of the good dairy year and because of lots of grass it has moved away up.

I think you made the point to the board last Friday, but I am not sure whether it is going to do anything about pegging the price of MSQ. I think what would happen if you pegged it back down to whatever figure is that you would probably find very little MSQ moving at this point in time.

Let me come back to what you said about Joe Meiser. I think we have about 14,700 dairy producers in the province of Ontario now.

Mr. Villeneuve: No, 14,100. We've lost about 2,000 in the last two years.

Hon. W. Newman: It has dropped off considerably this year. Anyway, yes, there will be reduced cattle farmers because cattle will become more efficient. You were talking about poor quality milk. It is quite true that we have had a problem in Ontario. If somebody has consistently shipped milk with a very high bacteria count the inspectors have gone in and done everything they could to try and help that individual out. Rather than have the Milk Marketing Board use its authority to cancel one's licence, if they consistently shipped bad milk, they would be shut off till they cleaned up their act. There have been only half a dozen cases in the province where we have had consistently bad test results on milk.

Mr. McKessock: The thing that bothers me most about this statement is it says, "must become more competitive and reduce prices." I can't see how the dairy farmers can reduce prices today when tractors and machinery have doubled in the last few years and the price of land and taxes and fuel is up.

Hon. W. Newman: Both industrial and fluid milk is formula priced, so I don't know how you can reduce the price of milk when it is based on a formula that has been worked out and has worked very well. I don't see how you can possibly reduce price, unless he means at the retail level. I don't know. That was not in his statement that I read. I am not disputing whatever paper published it or whoever said it, but certainly the price of milk to the farmers is not going to be reduced.

Mr. McKessock: No. I couldn't understand that part of it.

Hon. W. Newman: We should try to clear that point up.

Mr. Riddell: Mr. Minister, tell us a little about the Ontario Agricultural Museum. Is it open to the public and when was it opened? Was there any kind of an official opening? How many artifacts have you got in the museum? What programs do you plan to run in the summertime, when, I trust, most of the interested people will be visiting the museum? Are you actually going to have some of these machines in operation there? I just want to know. It seems to me that we discussed it a bit last year but it wasn't open last year when we were doing the estimates. I'm just wondering, if it is open now, just what your program is.

Hon. W. Newman: This past summer it was open five days a week, I believe, with no charge because the museum was not com-

pleted far enough at that point in time, or did we have sufficient staff to keep it open seven days a week, although we were very fortunate, through the youth program, to get some young people there. We're still doing restoration and we're still building. A lot of work has been done in the museum in the past year—putting up barns and buildings, and moving into various phases.

Mr. Haggerty: Is it open all year round?

Hon. W. Newman: Yes, five days a week or people to come in.

As far as charging is concerned, we are anticipating that if we can get to a certain point, and I wouldn't want to say with the constraints there are, when we will be at that point.

There are about 10,000 artifacts in there, I'm told. There are tours available because we were able to get students last year. There are people in there restoring all the time. I've been out there several times. This coming summer I would anticipate it will be open five days a week, depending on the few secretary and how many students we can get. We'd like to try to have it open on the weekends. We just can't with the constraints we have now.

They have done considerable work on construction—new buildings and improvements on old buildings. As a matter of fact you can see one donated by W. G. Newman out there—if you want to go out there and have a look at an old log barn. So it is coming along, though I wouldn't want to give you a firm commitment tonight that it's going to be open on a full-time basis, and then we're going to start charging.

Mr. Riddell: How many full-time staff and how many part-time staff do you think it will take to run it?

Hon. W. Newman: We have seven full-time now.

Mr. Haggerty: What are their basic salary rates? You have \$341,700 for salary for seven or eight persons. That seems to be pretty high.

Hon. W. Newman: This includes the casual staff, the people on part-time, for instance. At Hawkestone we have two people who are constantly restoring equipment.

Mr. Haggerty: Is there anybody in the \$30,000-a-year bracket?

Hon. W. Newman: The head of it tells me he wishes there were but there is not.

Mr. Gaunt: Just a director.

Hon. W. Newman: No, he's not even in that bracket.

Mr. Riddell: You told me seven to eight

full-time staff. How many part-time staff do you think are required?

Hon. W. Newman: We have 10 part-time staff. We had 30 students last summer.

Mr. Riddell: This is in addition to what we're referring to here as part-time staff?

Hon. W. Newman: I think this includes people who are out there who are actually restoring, working on equipment and in the main workshop where they are constantly restoring and putting up these buildings. The staff is working on this all the time.

Mr. Haggerty: Why would transportation be there?

Mr. Carbert: That's communication, I suppose. That's telephone, too, included there. That's almost \$35,000.

Mr. Haggerty: Isn't that rather high for about eight full-time staff?

Hon. W. Newman: Transportation and communications for hauling, would that be T and C? I could look up the details of it here, if I could find it here in this book, but I will give it to you.

Mr. Carbert: This is hauling things in from across the country, hauling artifacts in from all over the province.

Hon. W. Newman: That includes T and C, that's what I was pretty sure of.

Mr. Riddell: Which one of the western provinces has one of these agricultural museums which apparently is quite successful?

Hon. W. Newman: There are three of them in western Canada, I believe.

Mr. Carbert: Manitoba, Saskatchewan and BC have them.

Mr. Riddell: I believe it is the one in Saskatchewan that I have heard quite a bit about, but I haven't seen it. Will this be comparable to the one in Saskatchewan?

[8.30]

Hon. W. Newman: It will be better eventually, when we get our pennies together.

Mr. Riddell: They seem to have a lot of money there. But if it is as successful as the one in Saskatchewan it should be all right.

Hon. W. Newman: The big problem, of course, is the constraint on the complement to really operate it on that basis, but it's coming along very well right now. About 10 new buildings went up this past year.

Mr. Riddell. The Richard Blake Palmer

Trust Fund showed an actual expenditure of \$4,194 in 1975-76, nothing in 1976-77 and nothing in 1977-78. I vaguely recall talking about this last year but it slips my mind. What is that trust fund all about?

Mr. Sewell: Dr. Palmer was a former director of the research station at Vineland. He left \$50,000 in a perpetual trust in memory of his son who was killed in action in Burma in World War II. It was for research into rhododendrons. So only the interest can be used for that purpose. As in any trust there are certain requirements to be met before any money can be drawn out. We would not show anything in this year's estimates because we would not know, at the start of the year, how much interest would actually be taken for use in research. There was apparently no expenditure the previous year, but there was in the year before that.

Mr. Riddell: And it is strictly to be used in research for rhododendrons?

Mr. Sewell: Yes. Of course, that would include the buying of root stock, casual help, casual labour to do the work, et cetera. So it is not really government funds but it is in trust with the government.

Mr. Riddell: Right. I think that is it.

Mr. Bounsall: Mr. Chairman, there is one news release that was released last summer that was of interest to me. The minister announced two new energy conservation projects, one on practical applications of solar energy to agricultural production and the other a project to develop a methane gas production system. However, my questions are not on those.

In that same release you said three energy management projects conducted last year have shown good results and will be continued this year. Those three were: first, a tillage project; second, heating the soil in greenhouses; third, at the Ridgetown College of Agricultural Technology. This is the one I am interested in.

It was a project in energy conservation education, carried out by the Energy Conservation Resource Centre at Ridgetown. The project was to disseminate information on energy conservation measures as they applied to agriculture and collating various means of conserving energy and passing it on to farmers through newsletters and meetings. You had a 28-foot mobile unit that went to a lot of the agricultural fairs and so on.

What interests me in this is that I understand, contrary to your release, it showed

good results and will be continuing, but that it was concluded in September or early October. Has that project continued?

Hon. W. Newman: The man in charge apparently resigned, but the program is still going on. The tillage studies were being done at Guelph on deep tillage and shallow tillage—the amount of tillage that should be done. The greenhouse one is on preserving heat in the greenhouses. As far as the energy management study, it was at Ridgetown and is still being carried on, to my knowledge.

Dr. Rennie: As soon as we get a new man.

Hon. W. Newman: As soon as we get a new man.

Mr. Bounsall: You mean it isn't being carried on but will be as soon as you get a new man?

Hon. W. Newman: The man who was in charge of it resigned so we have to get someone else.

Mr. Bounsall: That's part of my interest in this. I hadn't heard of this particular project and don't have much to do with this but the man who had been doing it is a constituent in my riding and he was in my office on Saturday wondering why he had, in fact, been fired. He hadn't resigned. His name is Aaron Lemon, Jr.

My question really was, will the program be continuing as you stated and why was Mr. Aaron Lemon not renewed? He was a contract employee last year, but with an understanding that a continuation could be and quite likely would be, renegotiated. I wasn't renewed as of September 2 but they then did extend it for 30 days so he could continue taking his trailer around to the various agricultural shows which came up. He is more than a little upset that he was terminated and he has written letters to various members of the ministry asking why.

The first letter I got from Mr. Lemon which led to my setting up an appointment with them, did have one item in it which rather confused me. He talked about surveillance monitoring and opening of his mail which, when we got together, simply was one of the standard administrative procedures where all mail received is opened and date stamped, the exception being if it was labelled "personal" or "confidential". He did have a couple of examples where confidential mail, marked "confidential" both on the envelope and on the letter, had been opened but he only had two examples of that.

His question to me was, particularly in the light of the release, why was he being

minated, and if the program was being terminated. The people to whom he had been asking why and requesting an interview concerned with the termination were Dr. Bennett; Dr. Clare Rennie, director of education research and special services division of the ministry.

Hon. W. Newman: Right here?

Mr. Bounsall: Yes, and of course the principal of the college there, Mr. W. W. Brown.

Hon. W. Newman: Who, Wendell? I don't know that.

Mr. Bounsall: Do you have the answers yet?

Hon. W. Newman: You've asked me several questions here.

You say he didn't resign, he was fired. I am told we have a letter on file with his resignation, so that he has resigned. If you don't get that letter, which is marked "personal and confidential," it is available for you to see. I don't think I would want to make it public in the Legislature, but if you don't want to see the letter there is no reason why you shouldn't see that he resigned as of mid-October.

Dr. Rennie: I assume that you have that letter on file?

Dr. Rennie: It's in Ridgetown. I don't have it.

Hon. W. Newman: It's in Ridgetown but you would certainly see that you have a chance to look at it, unless it has something very personal in it and I don't know that it does. I haven't seen the letter but I'm told the letter of resignation is on file.

As far as opening his personal and confidential mail, I don't know who did that or how that happened or if it even happened. I would think that if he had some personal matter—I'm only speculating here—I wouldn't he have them sent to his home address? If he had them sent to his office, and I can't tell you that they were, he can swear out an affidavit that his personal and confidential mail was opened.

I have to admit there are about 300 to 400 letters a day coming in to my office and in a case where my secretary will open one I realize it's marked "personal and confidential," she will seal it again and put it on my desk and say, "I'm sorry, I opened it." She's opening 300 to 400 letters a day, addressed to me. I have people who don't want to write me about a particular personal problem which they don't want to be generally known. It can happen, but in this case I have no record of his personal and con-

fidential mail being opened in any way deliberately by any staff, as far as I am concerned.

He put this in writing that his personal and confidential mail was opened?

Mr. Bounsall: Yes. That was in the original letter he sent me, requesting an appointment with me in my office, partly because he'd written all these people asking for interviews as to why he was let go and, to quote the letter of November 17 that he wrote to me, "I was ignored by each person I contacted." His next paragraph states, and I quote again: "One of my grievances involves surveillance, monitoring and opening all of my mail, including personal first-class mail."

Hon. W. Newman: May I suggest not dragging any individual, either here or in the Legislature, into the whole situation since we have a letter of resignation from him.

There may have been circumstances and situations which arose and I think it would be very advisable, if I may so suggest, to arrange for you to talk to one of our senior staff, rather than putting on record many things that may be involved that could very easily create a problem. I just don't like to bring it out, but certainly we would be glad to have somebody in the ministry talk to you on a quiet basis about why he resigned. Quite obviously he did resign. Maybe it was a contract; maybe there were other problems.

Dr. Rennie: It was a contract.

Hon. W. Newman: It was a contract.

Mr. Bounsall: It was a contract.

Hon. W. Newman: I'm suggesting that rather than getting into a detailed discussion as to whether he was fired or he resigned, I'd be glad to arrange a meeting between you and Dr. Rennie, whose responsibility it would be to discuss it with him. But I think it would be very unfair to go into his whole work history unless you want to—what he did, where he worked and so on and so forth and why he resigned. I don't know why he resigned. All I know is that there is a letter on file that he resigned.

If his mail was tampered with, I honestly have enough faith in my staff across this province to believe that nobody is going to open anybody's personalized mail intentionally.

Mr. Bounsall: That could be an honest error; mail opened along with the rush of other mail. He had two examples to show me of it on Saturday. That's fine.

The two questions I had were about the situation and we will go into that in private, but it is your intention, when you hire someone else, to continue with that educational program?

Hon. W. Newman: Yes.

Mr. Bounsall: Did it turn out to be an effective program in the past, as your release states? It was an effective program?

Hon. W. Newman: Are you saying that he said it wasn't?

Mr. Bounsall: No, your release says he thought he was doing a good job; he thought the program was a good one.

Hon. W. Newman: We think the program is a good program.

Mr. Bounsall: Yes, he was the major one in charge of doing it. He has no criticism about the program, which was really one he was doing. The contract having been up on September 2, he was asked to stay on for the next 30 days until the majority of the agricultural affairs in the province had been concluded, to which he was taking the energy management conservation trailer and displaying his projects inside.

Hon. W. Newman: Once an employee leaves the ministry now, because of the constraints from government, we have to get approval from Management Board to hire. I know there has been approval granted to hire somebody.

Mr. Bounsall: That would be another contract position, would it?

Dr. Rennie: Yes.

Hon. W. Newman: Yes.

Mr. Bounsall: Are all of the positions, as indicated in that release—the greenhouse one and the tillage—contract employees as well?

Hon. W. Newman: I think some of that research would be done by Guelph. Tillage is done by the University of Guelph under a contract. Greenhouse is done by Vineland Research Station.

Mr. Bounsall: These are research contracts you have out there, rather than contract employees.

Hon. W. Newman: Yes, I'm talking about ongoing research.

Mr. Bounsall: Perhaps tonight we can arrange with Dr. Rennie an early time we can discuss the personal side.

Hon. W. Newman: You can arrange to meet Dr. Rennie or give him a call to discuss the circumstances. I don't know the intimate circumstances. All I know is that I'm told

he resigned. No letter wound up on my desk, to my knowledge, from him.

[8:45]

Mr. Bounsall: He didn't say he had written you.

Hon. W. Newman: Yes, because I would recall it. Occasionally, if there is a problem with an employee somewhere and a letter does wind up on my desk, I'll ask for an explanation. But I don't recall that one, so all I have to do is assume that he did resign and that the letter is on file at the college. I would certainly suggest you talk it over with Dr. Rennie.

Mr. Bounsall: Fine.

Mr. Gaunt: I was just reading the last speech of the Minister of the Environment (Mr. Kerr) here. I'll have to get oriented.

About the Ontario Agricultural Museum, I gather from Mr. Riddell's questions that there were some 30 summer students who worked—

Hon. W. Newman: Right, 30. It's actually 31—I'm sorry.

Mr. Gaunt: Right. Is it anticipated that will continue? Will you have 31 next year? If so, how can I get two or three employed?

Hon. W. Newman: First and foremost, we've made application for 31 students. I can assure you that I didn't get any that I wanted on there, if that makes you feel any better. Most of them come from the surrounding area, because it's a matter of transportation. It's not the handiest place in the world to get at without transportation. I would assume a majority of them came from within that general area in there.

Mr. Yakabuski: Ontario, Canada?

Hon. W. Newman: It's out at Milton. So I would assume they've come from the appropriate members' ridings in that area, wherever they are.

Mr. Riddell: Did you say that any you wanted on are on?

Hon. W. Newman: No, no—I didn't get anybody from my riding on there at all.

Mr. Riddell: I was going to say, would you expect otherwise?

Mr. Gaunt: I'm wondering about the acquisition and construction of the physical assets, particularly the acquisition. How does Mr. Carbert go about acquiring these artifacts? I imagine there's a technique. Having viewed from a distance antique car buffs and these other antique dealers, they seem to have a nose for this kind of thing. I'm just wondering how the artifacts are gathered together. Presumably, there's a general bal-

nce from all over the province and there are artifacts there which represent the early pioneering days in the north and in the east, in the west and right across the province. How does one do this?

Hon. W. Newman: Let me explain the great capabilities of the director of the Agricultural Museum and how he operates.

Mr. Gaunt: I have no doubt about that. Is an old radio and television man, I have no question in the world about his great abilities.

Hon. W. Newman: He gets letters of interest. People drop in to look at it and suggest that maybe they have an artifact somewhere. He or one of his staff—probably himself—will go and look at it. One day he was in my office and he said, "Where can I find an old log barn?" I said, "I'll give you one." Somebody else in the office said, "But I want it, too." Anyway, it came from eastern Ontario, an old log barn on a farm I own. There were some beautiful old logs in it and I said, "You can have it if you take it away." So they took it and they rebuilt it. I haven't seen the rebuilt product but I understand they've done a very good job of reconstructing it.

He gets some travelling himself. He travels round to places where he gets ideas where there are artifacts in various parts of the province. People say, "I know where there are certain articles in somebody's barn in northern Ontario" or eastern Ontario or western Ontario—wherever it may be—and he goes to look for those artifacts. I think by and large he gets them very reasonably, if not donated in most cases.

Of course we have an exhibit at the Loughing match. There's a lot of interest shown there. People come up to them and say, "I've got such-and-such. Do you want it?" I don't think you pay very much for any of these artifacts, do you?

Mr. Carbert: Very little. We purchase only a very small minority and it's only junk price usually.

Hon. W. Newman: They're also at the Royal Agricultural Winter Fair and people come up who are interested in historical things. In some cases a card or something is put on the item saying it was donated by so-and-so. I don't even know that my name is on the barn that I donated. I have no idea. I'm told it's not on.

Mr. Gaunt: So what percentage would be donated and what would be purchased? Roughly 70-30?

Mr. Carbert: Less than three per cent will

be purchased. Practically all of the items have been donated or were part of the original collection. They come from all over the province.

Hon. W. Newman: If you have anybody who would like to donate something, we would welcome your thoughts on it.

Mr. Gaunt: This \$200,000, then, represents really about three per cent—

Mr. Carbert: No, that represents capital. That represents buildings.

Mr. Gaunt: Construction, as well.

Mr. Carbert: Construction only.

Mr. Gaunt: I see. So that in terms of acquisition, only about three per cent of that is acquisition; the balance, 97 per cent, would be construction cost.

Hon. Mr. Newman: We would be glad to arrange a tour for anybody. If you would like to come out there at any time during the week I could show you around the museum so you could see what has been done out there. I think Bob has done an excellent job. I know he is very proud of it—we are all very proud of it—and he would be glad, if sometime during the week you have a spare couple of hours, to show you around the museum. I think it is really coming along very well.

Mr. McNeil: Why don't you go out Wednesday morning?

Mr. Riddell: Are some of these old artifacts operational?

Hon. W. Newman: Yes. If people go there in the summertime they will see these old machines working. But there is only a limited operation at this point in time because of the staff situation. I don't know what you do operate there, Bob.

Mr. Carbert: Not very much, but we have some 60 tractors in the collection, of which over 40 are operational at this time.

Hon. W. Newman: They are always getting old engines and fixing them up. It's amazing the time and patience that go into restoring them. I have to admire the people who are doing this work. They have to make parts because they aren't obtainable otherwise.

Mr. Riddell: Can one go in there and trace the history of the farming industry over the years? Or do you just go in and look at some of these old relics?

Hon. W. Newman: It is set up so that there is an area for each era of the past, and there is still a blank space for the future. What years are covered, Bob?

Mr. Carbert: It covers 1800 up to today in eight stages.

Hon. W. Newman: But there is still room for down the road into the future?

Mr. Carbert: We also have a research library for the purpose you were talking about—an archives and research library—with over 2,000 volumes in it already.

Mr. Haggerty: You should apply for a Wintario grant.

Mr. Carbert: Good idea.

Mr. Haggerty: Mr. Chairman, I want to discuss the matter about the pesticide residue testing laboratories. I think it was just last summer that one of the pesticides or insecticides was removed from the American market and apparently it had been removed from here, too. Just how much research is done in this particular area? There is no doubt about it, there are potential hazards there to the persons who are using the different types of chemicals.

Hon. W. Newman: How much work is done in the area of pesticide residue? I would have to ask Dr. Rennie to give us details of it. I believe you will find it in the annual report, but I can find it in here, if you like.

Dr. Rennie: Mr. Chairman, on the pesticide residue testing laboratory, which is a provincial laboratory, it is under the research vote because it is of a research nature. Yet under research we include what you might call related services. So in an analysis of various materials that come in, which may be the forerunner of an apparent problem, that gets into the research aspect. This past year we did around 14,000 analyses of various kinds—it is in the annual report.

So although some would be routine types of analyses, just monitoring, a lot of these do lead into a research component. For example, why is that particular chemical there in the quantity that it is? Then it ties back and relates to some of our research people who get involved in it as well.

Mr. Haggerty: You have complete cataloguing of all the different pesticides or insecticides being used?

Dr. Rennie: Yes, and we keep all our records on every analysis back since the laboratory started. We have maintained every case that has been analysed.

Mr. Haggerty: Are all persons using this product warned of the serious hazard that may be involved?

Hon. W. Newman: If I could answer part

of that, I can think of a case that came up two years ago. On most of the packaging it spells out how to handle it. We do have cases where people do get into problems because of improper use, or not wearing the necessary face mask or rubber gloves or whatever, when they're dealing with certain pesticides. I'm not exactly sure if you mean that we should—are we telling people the dangers of handling certain pesticides?

Mr. Haggerty: Sometimes the labels may be destroyed on them and a person's just not aware of what's taken place when they come in contact. It could burn their eyes, they could lose their eyesight—

Hon. W. Newman: They're pretty well all labelled. Any that are serious—I don't know exactly what is on the label, but certainly they are labelled to point out the problem—and how to handle it. I think what you're saying is that maybe we don't always read the labels. I doubt very much if all the labels get washed off because most of them are pretty well attached to the bags or whatever containers they're in. I've made a couple of mistakes myself in handling them in the past and you soon learn—

Mr. Haggerty: This is right. You're open for errors.

Hon. W. Newman: I just didn't watch it carefully. That was all.

Mr. Haggerty: That's right. I was just wondering, how many have you removed from the market? Perhaps some of them are potentially more hazardous—

Hon. W. Newman: The removal of pesticides from the market is a federal decision.

Mr. Haggerty: Does the ministry have any input into the matter?

Hon. W. Newman: Oh yes, we give them the benefit of any work that we've done or it. They do work on it themselves. But if it's going to be removed it's done by—

Mr. Haggerty: It's done by the federal people. Is that just pesticides that are imported into Ontario or into Canada?

Hon. W. Newman: No, all pesticides. I has to be Canada-wide.

I think I wrote to the federal minister not too long ago about a certain commodity—I forget what it was, now. It had a fancy name anyway. We felt it should be allowed to be used in Ontario—it was allowed in the States—and they just approved it about a couple of months ago. I can't remember what the name of the particular substance was. We work very carefully with the fed in recommending certain things should go on or that maybe certain things should come

off. They take it on a little further. We have a publication put out by the ministry on pretty well all pesticides that are available—

Mr. Haggerty: Do you do research into other areas—for instance, with chemicals that are used in feed lots and that? Feed formulas, I should say.

Hon. W. Newman: One thing we've had some problems with—I don't know who laid the charge—is the matter of storing certain commodities. A feed company cannot store dangerous chemicals beside something else that's going out to feed areas. They must be kept separated. This came up in just the last couple of years where there was some complaint. There was a batch of pesticides or something that got mixed up with some feed and some cattle got pretty sick.

We had a case up in Renfrew where we heard about a carload of grain that came in from the west that had had treated logs on it or something. These cattle started getting from the west that had had treated logs on it and notified the feds. They were on it in a matter of hours. It was just a case of putting grain in a car that came from western Canada that had had creosote was it?—anyway something on it was affecting the cattle.

Mr. Haggerty: We might get that in wood chips then.

Mr. Riddell: Do we really know where we're going with these chemicals and what long-range effect it's going to have on the soil and the soil organisms? Aren't they finding now that these chemicals are starting to come out in drainage water? We know that the earthworms where atrazine and what not has been used are a pretty scarce commodity in the soils at the present time. Are we just merrily going along and hoping that everything will work out all right in the long run, or are we going to have to start to cut back on the use of some of these?

[9:00]

Hon. W. Newman: For instance, we cut out one chemical, except for very limited use in the tobacco industry because it is the only chemical that would work. We have a very restricted use of it. But, by the same token, there is ongoing research being done in Ottawa and, of course, through our research facilities here. It is fine to say you are going to cut off atrazine or any other things you are treating your corn with, but I hate to go back to the old cultivation system on corn to try to get a good kill on weeds for a good crop of corn.

Mr. Riddell: Well, we all would. Maybe

the day is going to come when we are going to have to.

Mr. Haggerty: What about the end results, though? That is what Mr. Riddell is getting at. Just how much can the soil absorb?

Hon. W. Newman: We are doing certain tests, for instance, on the residual action on sludge disposal and the uptake of the heavy metals or certain metallic materials into the crop. That is one of the reasons we are working with the Ministry of the Environment on guidelines for sewage sludge. Most sewage has a fair amount of heavy metals in it.

Mr. Haggerty: They tell me you can get gold, silver, platinum—

Hon. W. Newman: Well, I don't know if you can get gold out of your carrots or not, but there are certain effects which we are doing a lot of testing on at this point in time; that is one of the things we are being very careful on. We are working on it all the time and monitoring the crops to see what sort of residual action there is. We are doing a lot of testing on the soil.

Mr. Haggerty: For how many years have you been doing this monitoring?

Hon. W. Newman: How many years? I cannot tell you exactly how many years. I know they have been doing it ever since I have been there and before.

Dr. Rennie: Ever since the laboratory started. About 10 years.

Mr. Haggerty: Do you have nothing more concrete on that? You say that there are some chemicals that you are overloading the soil with; the soil is being saturated with it and it's being picked up by the plant and is being passed on to humans?

Hon. W. Newman: Let's go back to DDT. We were very much involved with that when it was banned; and other pesticides are coming and going and they too are tested. Just because the USA approves of something, we don't necessarily approve it. We are working together with the US Department of Agriculture and with the feds on the matter of the residual action of pesticides.

Mr. Haggerty: Are the municipalities aware of the hazards of these chemicals stored in feed plants? I am talking, in particular, about how it relates to a fire in a plant or something like that. It can be very dangerous with chemicals in there. Are the fire departments notified of any of these chemical hazards that may be there?

Hon. W. Newman: Storage, of course, is

under tremendously strict federal regulations. Whether the municipalities are aware of all the federal regulations, I don't know. But storage is under very strict regulation. You know what happened in the Michigan case. I assume you are aware of that and of other cases that have happened in the past. There are very strict federal regulations regarding storage of that kind.

Mr. Haggerty: They did not have too strict regulations applied to Michigan. The chemical that got into the feed affected cattle and even humans. It could happen here too.

Hon. W. Newman: Sure, it could happen. We have very strict regulations to try to prevent it from happening. But the possibility of human error is always there.

Mr. Haggerty: I was just wondering if you are taking every precaution so that it does not happen here.

Hon. W. Newman: I think that every precaution possible is taken; there is no doubt about it. For instance, two years ago somebody cleaned out a sprayer where they were not supposed to and against the regulations. It was in Little Creek, in my area, and I heard about it very quickly because there are a lot of fish there. The Ministry of the Environment, ourselves and the feds were all involved within a matter of a few hours.

Mr. Riddell: An American concern has been in my part of the country advocating natural farming.

Hon. W. Newman: Organic farming?

Mr. Riddell: Well, I guess that is another name for it. Have any of your officials been observing this particular project to see if there is any merit in going back to organic farming or natural farming? They say that there are certain fertilizers that you can use and fertilizers you cannot use; and they don't advocate spraying your crops. I know that some of my neighbours are trying it, I don't know how successfully it is working out. They say you have got to give it about three years and then you will get the earthworms back in the soil and you will notice an entirely different soil structure, texture and everything else taking place. I was just wondering what some of your ministry officials have to say about it.

Hon. W. Newman: I don't know too much about organic farming except that there are two of them out my way. But they are primarily in the vegetable industry and not in a big way. They are using nothing but the organic farming approach. There is some or-

ganic farming going on but if you're talking yields it will certainly not produce the yield as does farming with the fertilizers we use.

Of course, the best fertilizer in the world is the manure you get from your livestock. Properly handled, that's the best you can get. But in today's farming you just don't get enough to go around to all the fields. There's no point in kidding ourselves that we can get sufficient to cover the situation.

Certainly we are beginning to look at biological control. We're doing extensive work through our soils and crop branch and through the soils and crop improvement associations around the province. They are looking into some of the forage crops; there is perhaps more of a stress on forage crops, especially in certain areas where there is a fairly high erosion rate. The thrust is, to some degree, toward forage crops.

Mr. Riddell: I just want to ask one last question. How is your parliamentary assistant panning out? Does he stand tall on the stage and speak with a fair bit of authority?

Hon. W. Newman: He's pretty good. He stands tall and he speaks tall. He sure does. All you have to do is talk to a few people who have heard him speak and, I'll tell you, they say he's got all kinds of authority. He does a great job.

Mr. Chairman: You've got three more minutes, Mr. Haggerty.

Mr. Haggerty: I just want to ask one question as it relates to research in the field of farm occupational health. I'm concerned about the number of injuries and deaths that take place in silos and holding tanks on the farms. What research have you done in that area? Have you come up with something so that a farmer doesn't take that risk of entering into an area of a holding tank or into the silo to remove that deadly gas? Is there any way to design something that will remove that gas out of silos and holding tanks? Is there a vent or some form of ventilation?

Hon. W. Newman: I could be wrong but I don't think we've done any research on that. We've had three cases in the last year.

Mr. Haggerty: There were about half a dozen cases the year before last and I know of one, not in my area exactly but close to it. A family was almost wiped out when working on hog production; they were doing intensive farming through a holding tank. They went in one after the other, trying to get each other out. Perhaps these tanks could be designed with proper ventilation.

Hon. W. Newman: What we're trying to

to is create an educational program through our agreps and through releases sent out from the ministry to warn people to be careful.

Mr. Haggerty: Apparently, that's not enough. If you get three or four deaths every year, I'd be concerned about it.

Hon. W. Newman: I'll tell you what I'll do because I'm just as concerned about it as you are. It could be a very tragic situation. I will be meeting with the Agricultural Research Institute of Ontario in about two week's time, and we'll certainly discuss that then.

Mr. Haggerty: See if you can't get something.

Hon. W. Newman: It is tragic and, as I say, we send out news sheets and releases. We ask our agreps to comment on it. We try to warn farmers to be careful of the situation but perhaps we should be doing some research in that particular field.

Mr. McKessock: I have one very important quick question.

Mr. Chairman: You've got five seconds, Mr. McKessock.

Mr. McKessock: Mr. Minister, why is it that your ministry doesn't come in with supplementary estimates in the same way that most other ministries do at this time of year—

Mr. Haggerty: We ought to give him credit or that.

Hon. W. Newman: Is it good management or an order in council?

Mr. McKessock: —especially when our dairy industry is still deprived of supervisors in the Dairy Herd Improvement Association?

Hon. W. Newman: As I pointed out close to the first part of our estimates, this year we had the second largest percentage increase of any ministry in the government. I'm talking about 4.5 per cent. Believe you me, I'd like to have more money too to do more work. It's a matter of an overall government constraint; government revenues are down. The dairy herd improvement program is a priority. We are actually looking at the dairy herd improvement and the ROP program now and having some preliminary discussions with Ottawa. They seem to have a little more money than we do sometimes and we are now trying to have some preliminary discussions with them.

Mr. McKessock: I was wondering if you just couldn't go ahead and hire these people and put them out there and then put in your supplementary estimates the same as the other ministries.

Hon. W. Newman: That would be great except that we are on a complement cut across every ministry. An allocation has been made across every ministry in the government for complement cuts and we have to try to utilize our people. Even with our cuts, I think we have kept up a very good service in the province.

Mr. Chairman: Thank you very much, Mr. Minister and members of the committee.

Vote 1805 agreed to.

Mr. Chairman: That completes the estimates of the Ministry of Agriculture and Food.

Hon. W. Newman: Could I say, gentlemen, how very much I have enjoyed it. It has been a real break for me.

[9:15]

ESTIMATES, MINISTRY OF THE ENVIRONMENT

Mr. Chairman: I will ask the minister to give us his official opening remarks.

Hon. Mr. Kerr: Mr. Chairman and hon. members. I am pleased to present for your review today the 1977-78 estimates of my ministry amounting to approximately \$270 million, as well as supplementary estimates of \$1.7 million, which pertain mainly to the Hartt commission.

The current fiscal year continues to be very active and productive as we attempt to improve ministry services to ensure a cleaner and safer environment, while at the same time meeting the current fiscal restraints. In the interest of effective discussion in the committee, and in accordance with a motion approved in the House on December 16, 1976, we have distributed to members an information booklet on our estimates which explains each of the activities which you will be reviewing. May I suggest that we deal with the estimates in the order in which this booklet describes the activities of the ministry.

In the summary on page one of the estimates, you will note an increase of roughly \$23 million over the previous year. The largest portion of this increase is for our capital construction program and the operation of our utility plants. Estimates for the rest of the ministry's operations and programs have been maintained at a level of virtually no growth in order to keep our expenditures within the objectives of the government's restraint program. This has been an exacting challenge considering the heavy demand for our services. We have to review our priorities constantly in order to make the best possible use of the resources at our disposal.

I will describe briefly some of our ministry's achievements and major challenges of the current year. An important abatement and control activity continues to be the review, inspection and processing of industrial approvals. This entails the processing of all applications received from industries in the province for waste treatment systems to control the quality of air and water emissions and land disposal operations. This year we anticipate the handling of 120 applications for waste water approvals; between 800 and 900 applications for air approvals; and about 120 applications for solid waste or liquid industrial waste handling systems and disposal sites.

We have continued our program of prosecuting breaches of environmental regulations. So far this fiscal year, the ministry has laid 47 charges under our legislation. These involve 27 prosecutions under the Environmental Protection Act, 13 under the Water Resources Act and seven under the Pesticides Act. In addition, another 38 prosecutions have been made for vehicle emissions under the Environmental Protection Act.

The largest fine in Canada for a pollution offence was made last April when American Can of Canada Limited in Marathon pleaded guilty to 16 charges under the federal Fisheries Act, resulting in a fine of \$64,000. In addition, under a ministry control order, American Can sealed in concrete the mercury-contaminated remains of their Marathon chlor-alkali plant which shut down last August.

A major area of concern continues to be the pulp and paper industry's record in pollution control, although the industry as a whole has spent more than \$120 million on control measures since 1960. Hon. members are probably aware that this month we issued six control orders amounting to a \$44-million abatement program at seven of the Abitibi Paper Company's eight Ontario mills.

The ministry has reviewed all pulp and paper mills in the province and, as a result, we now have 20 control orders and requirements and directions in effect which concern 20 mills and another five mills where we have served a notice of intent to issue a control order. Six mills have completed their abatement programs and their effluent status is currently under review. The crux of the problem with this important resource industry is the fact that many plants were built long before current environmental standards were established.

However, new technology and pulping processes are emerging which can eliminate

pollutants from the waste stream of paper mills and thereby improve future water quality in the area of mill communities. Improved technology is being used now at mills in Thunder Bay, Kapuskasing and Thorold.

The first closed-cycle kraft mill in the world went on stream recently at the Grand Lakes Paper mill at Thunder Bay. This recycling process, based on technology developed by Professor Howard Rapson of the University of Toronto, is designed to recover all potential pollutants from the process waste streams and to discharge only clean water. It is expected that startup problems will be resolved shortly and that the mill will be in full operation by the end of the year.

A thermal mechanical process which does not utilize any chemicals for pulping purposes and has the potential to replace sulphite pulp in the manufacture of newsprint has been installed at the Spruce Falls Pulp and Paper Company of Kapuskasing. This process, the second of its kind to be installed in Canada, offers a potential solution to water quality problems associated with sulphite pulping. It is being currently evaluated by the ministry with the co-operation of the company.

At Ontario Paper in Thorold, the chemical recovery unit installed in 1973 to recover spent sulphite liquors from the sulphite process continues to operate well. This process, the third of its kind to be used in the world, has many improvements to the operation. Many improvements to the operation have been made since startup and the overall efficiency of the recovery system for spent sulphite liquor is greatly improved. Introduction of this new technology should greatly improve the environmental standards and performance of a major industry which is vital to the economy of Ontario.

Another ministry project related directly to many northern Ontario communities, as well as some southern communities, concerns the recovery of derelict motor vehicles. Known as "Project Remove," the ministry's cleanup program of derelict motor vehicle hulks is currently being carried out in northern municipalities and three unorganized territories. Contracts have been established between the ministry and municipalities whereby the ministry initially pays for establishing the local program of locating, collecting, and delivering derelict vehicles to certified salvage sites.

Revenue from the sale of hulks is retained by the municipality and is applied to further cleanup efforts. Our allocation for this program in the current year is \$552,000, which is intended to collect 12,500 hulks. 7

program has been broadened for the purpose of job creation, with an estimated 60 per cent of our allocation going toward wages. Now in its third year, the "Project Remove" program has removed unsightly vehicle hulks and developed a recycling program for waste materials which we hope to expand in the future.

One of our major ongoing activities is our water and sewage utility plant development and construction program and our utility plant operations. During the current fiscal year we expect to construct 32 new plants and systems throughout the province. By the end of the current fiscal year we will be operating approximately 350 communal water and sewage treatment facilities, with 32 of these coming on-stream this year.

Ministry expenditures in this important activity have increased to the point where they account for approximately 40 per cent of Ontario's annual investment in water and sewage works construction. We are now subsidizing municipalities to the extent of up to 75 per cent of capital costs in order that these important facilities to protect the environment and accommodate growth can proceed. We are also providing transfer payments to restructured municipalities to the extent of \$12 million.

One excellent example of co-ordinated planning among municipalities, other government ministries such as Housing and REIGA, and ourselves, is the York-Durham sewage system and the Duffin Creek treatment plant, which is well on schedule for completion of stage one by August 1981. With the completion of this project, the largest sewage works our ministry has ever undertaken, we will have communal facilities that will help to ease the shortage of housing in the York and Durham areas.

At the beginning of October 1977, 21 general contracts were under way representing a construction value of almost \$59 million. Stage one of the York-Durham project covers a main trunk distance of 30 miles from Duffin Creek, located east of the Pickering nuclear power plant, to the junction of Steeles Avenue and Dufferin Street in northwestern Metro Toronto.

Other major programs of the ministry entail our water resources activities. These include monitoring Great Lakes water quality, the study on pollution from land-use activities on the Great Lakes (PLUARG); the gathering of data concerned with the phenomenon of acid precipitation; a weed-cutting program in the Kawartha Lakes, and the collection and analyses for mercury and

other trace contaminants in fish from Ontario lakes and streams.

The ministry continued to monitor Great Lakes water quality with emphasis on those areas subject to more intense pressure for development, including Lambton county in the area of the St. Clair River, Haldimand-Norfolk in the area of eastern Lake Erie, and the Metro Toronto waterfront.

The ministry once again funded a weed-cutting and removal program in the Kawartha Lakes. Local interest in the program remains high, and discussions have been held with local municipal representatives on the prospects of local involvement, hopefully through the county organization. Research into the use of the extracted weeds showed some promise as a compost. Investigations into the factors which affect the growth and spread of the weeds are continuing.

We are also continuing the cottagers' self-help program, whereby cottagers check their lakes to guard against pollution, sending us water samples for analysis.

[9:30]

The acid precipitation phenomenon, which has received some publicity lately under the caption of "acid rain," has been under study by this ministry to determine the potential effects on lakes in Ontario. The data indicated the rain is quite acidic at times and could have serious effects on the softwater lakes of the Muskoka-Haliburton area because of their very low buffering capacity. The main problem which faces us is the lack of historical data with which to compare our recent findings. Studies will continue in an effort to quantify cause and effect relationships and determine the relative significance of the possibility sources.

Acid precipitation has been observed in various parts of the world, including Scandinavia, Europe and the northeastern United States. The available data we have strongly indicates that the acidic rain observed in Ontario is but a spill-over, or extension of the northeastern United States phenomenon, which appears to be due to nitrogen and sulphur oxides emissions from industrial areas in the US, and possibly smelting operations in Ontario and Quebec. We are co-ordinating our fact-finding with that of Environment Canada, as both levels of government are concerned about aquatic life and the survival and reproduction of fish in our lakes.

Our co-operative program with the Ministry of Natural Resources on fish collection and analyses for mercury and other trace contaminants will, by the end of this year, have provided us with data on approximately 340 different lakes and streams. During the

current fiscal year about 13,000 fish, amounting to a total weight of approximately six tons, will be analysed from about 150 different locations. Repeat sampling will take place in some locations.

We are continuing to carry out intensive studies in the Muskoka Lakes in an effort to pinpoint sources of mercury there.

In addition to the analysis of fish for contaminants, the ministry during the current year will analyse a total of 12,000 drinking water samples throughout the province to ensure that community water supplies are potable.

We are expanding our present hazardous substances program, which enables the ministry to identify and assess potential problems which may arise from the use of chemical compounds. In order to co-ordinate activities and to avoid duplication in this field with the activities of other ministries and agencies involved, the government has formed an interministerial hazardous substances committee. This year my ministry will continue its inventory of all industrial establishments in the province, which use arsenic, nickel and the PAHs (polycyclic aromatic hydrocarbons). In addition, this year we are gathering information on atmospheric mercury and chlorinated hydrocarbons.

The management of air quality in Ontario continues as an important aspect of our ministry's responsibilities. The ministry now has in continuous operation over 1,100 air quality and meteorological instruments located in 97 areas of the province and air pollution index stations established in seven major industrial cities.

The current air quality trend analysis shows a marked improvement in sulphur dioxide, suspended particulate and carbon monoxide which has resulted from successful abatement actions for both industrial and automotive emissions. At the present time ambient air quality objectives and source emission standards have been set for over 100 contaminants.

The ministry has an ongoing test program to check the emissions of motor vehicles operating in the province. During this fiscal year we anticipate spot-testing over 10,000 vehicles. Up to the end of October, 330 used car dealers were visited and more than 2,600 used vehicles offered for sale were inspected to ensure that the pollution control equipment was not tampered with. In co-operation with nine community colleges and several trade schools, we provided trade courses with respect to Ontario's auto emission regulations and demonstrations of emission analysis equipment.

Some committee members may have had an opportunity to inspect our new mobile air monitoring van when it was on display in Toronto's City Hall square last June and was visited by many of the 4,500 delegates who attended the international conference of the Air Pollution Control Association. During the summer months, this mobile laboratory was utilized in monitoring paper mills in northwestern Ontario, and in taking air surveys with regard to the \$4 million Nanticoke industrial development on Lake Erie.

The ministry is committed to a policy of reclamation and recycling of resources and of reduction in the generation of waste as a major objective of our waste management program.

The key to our resource recovery program is the ministry's new experimental resource recovery plant in Downsview, which is scheduled to be in full operation by next June. The transfer station for Metropolitan Toronto garbage has been in operation at the new plant since last March, reclaiming paper and cardboard for which a profitable market has been found.

We recognize that markets for secondary materials, such as paper, glass, metals and refuse-derived fuel, must be found and expanded if recycling is to be a viable means of waste disposal. We are, therefore, stepping-up our market research and development program in resource recovery and thereby hope to illustrate some real advantages in establishing resource recovery facilities.

We are now enjoying a measure of success in our studies and demonstration projects for refuse-derived fuel. The ministry has signed an agreement with Canadian Cement Lafarge Limited for the use of refuse-derived fuel, produced in the Downsview plant, to be used as a fuel supplement in the production of cement at the company's Woodstock plant and the facilities have been installed. With respect to the "watts from waste" project, which is designed to have refuse-derived fuel replace coal in a generator at the Lakeview power station, all necessary environmental and OMB hearings have been completed. Now the project is in the final design stage and the ministry is ready to move ahead with this very important demonstration project.

It is hoped that recycling will soon become much more economically attractive. We hope to reduce not only the waste that we are now burying, but the generation of waste itself by persuading Ontario residents and enterprises to be much more conservation oriented in their ways and habits.

A major ongoing activity of the ministry is the implementation of the Environmental Assessment Act as it affects projects of the Ontario Government and its agencies, and the streamlining of administrative procedures. Most provincial ministries are now under the Act. The 38 conservation authorities in the province are now under a regulation, effective last September, which sets out a timetable for bringing their activities under the Act.

We are making progress on the application of environmental assessment to the municipalities and negotiations are well advanced. The proposed approach for regulating municipalities was presented to the municipal liaison committee on October 21 last, and the response was favourable. A regulation is likely the first part of 1978.

My ministry intends to gain experience in applying and administering the Act before extending it to the private sector. However, the Act has applied to some private projects this year by request of the company. The proposed Inco Limited generating facility on the Spanish River and also the proposed Reed Integrated Forest Products complex in northwestern Ontario are examples of private projects which have been designated for assessment under the Act. The Onakawana lignite deposits south of Moosonee are in the process of being designated at the request of the company involved.

Late in 1976, the government, by order-in-council, directed the Environmental Assessment Board to hold a hearing concerning the uranium mine expansion in the Elliot Lake area. The mines concerned—Rio Algom and Denison—were asked to prepare a report according to guidelines laid down by this ministry.

Volume one of this report containing background information was received earlier this year and hearing sittings of the board have been held to define the content of volume two of the report, as well as extent and nature of the participation of various ministries of this government, agencies and departments of the federal government, local groups such as the United Steelworkers of America and the Serpent River Indian Band, the town of Elliot Lake and other involved parties. It is expected that volume two of the report concerning methods of carrying out the expansion, will be available early in 1978. After it has been reviewed by everyone concerned, stage two of the hearing will commence. The board will report its findings to me after this stage of the hearing is complete.

A requirement and direction order requiring investigations and abatement measures to deal with existing pollution was issued to Rio Algom and Denison Mines and both companies appealed. Last week, this matter was resolved at a session of the Environmental Appeal Board as the director and the companies reached an agreement on the terms of the requirements and directions to come into force. At this session, a panel of ministry experts were made available to respond to any questions. The final documents will be served on both companies within the next few days.

I shall not take further time to detail many other important ministry programs, which include our cleanup of abandoned mine properties in northern Ontario, emergency cleanup of oil spills and other toxic substances, control of the use of pesticides and our program to control the disposal of liquid industrial wastes.

I have attempted to outline some of the major environmental issues which we face today and the major programs and commitments we have made to meet these challenges. Should you wish to have any points clarified by myself or our senior staff I suggest humbly, again that we follow the order in which these operations are outlined in the green book which corresponds to the pertinent pages of the estimates.

Mr. Gaunt: Last year I indicated I considered this ministry to be a very important one in the government and that the Ministry of Energy and the Ministry of the Environment were the two central ministries provincially that would determine whether or not the province stagnates industrially and languishes, with its resultant economic, social and political problems.

I was hoping that substantial progress could be made this year in the areas of recycling of wastes and the whole field of resource recovery. I recognize that some progress has been made but it all seems so tedious and so slow. I know the minister did mention in his opening statement some of the accomplishments. I notice in the annual report the matter of "watts from waste," the recovery plant in Downsview and so on. But we have been talking about these matters for several years now and it really seems like a very slow process.

One has the feeling, however, that we do continue to lag and that any progress which is made in this area is more than offset by ministry failures in this and in other areas of recycling and resource recovery. Meanwhile the 1.7 million tons of garbage every year in Toronto continues to grow and will

likely double in 10 to 12 years, given current trends.

The ministry's commitment to fund capital costs of solid waste recovery systems, including engineering costs, to the extent of 50 per cent, to be recovered over a 40-year period, has not drawn many municipalities into this field. I think the ministry is going to have to encourage private enterprise to come into the field. That seems to be the only answer, given the government's restraint program and the lack of funds. The interesting part is that private enterprise is now showing a real interest in this field and should be encouraged. The major problem is not technology. That is there. The major problems are marketing problems. Those can and should be resolved.

The minister indicated in 1974 that plans were afoot to build six primary waste treatment plants at a cost of \$17 million to serve Kingston, Sudbudy, London, Metropolitan Toronto, Peel and Halton. These, said the minister, would process 90 per cent of the province's garbage and reduce the need for landfill sites by about 80 per cent. The province's aim to recycle 90 per cent of solid waste by 1989 is certainly achievable but at the ministry's present rate of progress it is completely unrealistic. Given the ministry's current leadership, we will be lucky to reach 45 per cent by 1989.

Yet common sense says this is the way to go, and the sooner the better. Our society must eventually swing from the consuming to the conserving society. I notice the minister mentioned that, I believe, on November 19 at Waterloo, at Bluevale Collegiate in his address, "Garbage, Why We Cannot Bury It."

I think the question has to be when will it come, not will it come. Ultimately, our survival as a civilization depends on the transition. Let's get on with it. It really seems quite elementary but yet it seems so difficult for the ministry to give any firm and sustained leadership in this direction.

The benefits of such a move are obvious, when one considers that North Americans throw away enough paper each year to print every major newspaper in North America. If we converted that scrap into electrical power, we could supply North America with the energy equivalent of more than two-thirds of that provided by the annual Mid-East oil imports.

[9:45]

For every ton of steel produced from recycled municipal solid waste, the following things happen: Enough electricity is saved to provide eight months' power supply for

the average North American home; 20 pounds of air pollutants are not released into the atmosphere; about 6,700 gallons of fresh water are not used; the water that is used and returned to sewers and streams contains 102 fewer pounds of water pollutants.

In recycling paper alone, substantial savings of natural resources can be achieved. Recycling 11 million tons of paper can save up to 200 million trees.

It's obvious that the drain and strain on our non-renewable and renewable resources cannot continue at its present rate. The ministry, I submit, has not been seized with the importance of recycling. Recycling and resource recovery are the sensible solutions. They take care of solid waste, they conserve resources, they save money and, of course, they save energy.

Hopefully, the Ontario Centre of Resource Recovery in Downsview will lend a major government thrust in this direction. It's research and development facility, among other things. But I suggest that certainly not all, but a lot of the research, at any rate and the development in this area have already been done. I see no point in duplication in this particular area.

Let's get on with the practical aspects of developing markets, of reclaiming, of producing material and fuel through resource recovery. For instance, the waste paper around Queen's Park is phenomenal. It's the greatest paper generator in the country. It really makes me ill to see all the waste paper end up in landfill sites instead of being recycled.

I know my office should be houseclean. I haven't done it for a number of years, but I hate to do it because all those reports and that mass of paper will end up in landfill site, and I just can't bring myself to throw a lot of that stuff out.

I understand that there are 21.3 tons a week of all types of office waste generated in the Queen's Park complex, of which 10 tons are prohibitive materials and cannot be recovered; 3.5 tons are out-of-the-way papers, magazines, hardcover books, newspapers and so on; and 12.7 tons are special considerations. Potential markets do exist for the waste.

Basically, out of a total of 21.3 tons a week around the Queen's Park complex we're talking roughly about 16 tons a week which could be recycled. Surely I think that's one area where we could get on with it.

I know that markets could be found for that material. I pose the question, has the government ever tried to negotiate with

ed Packaging in Mississauga or Continental Can or Domtar in Toronto, to take the wastepaper from all of the government buildings in the city?

I know the federal-provincial study looked at that, all of the waste office paper in Toronto, and no doubt we'll be talking about that later on. Only 20 per cent of the waste paper available in Canada is recycled, yet some of the material used by Canadian mills has to be imported from time to time.

It's good to be experimenting with new technologies and more sophisticated resource recovery techniques, but this is something we should have been doing several years ago. It can be done immediately.

The Glass Container Council has started a program of glass and bottle pick-up at the major hotels in Toronto and it has been a resounding success. As of this morning—I double-checked this information—so far they've taken 120 tons of glass from 14 hotels and some of the other outlets. I understand last weekend the minister got on his orange coveralls and did a few ceremonial acts to open it up. You've even cut your finger, I understand. That goes to prove that these things can be done. I think the hotels are certainly happy, and the glass companies are happy because their furnaces, I understand, don't have to be heated as hot with the glass cullet. They think the life of the furnaces will be extended by up to 30 per cent. That's a big plus for them.

Even though it's been operating for roughly four weeks, the program was just officially launched last weekend. It was expected to be some months getting into the black. Now they expect that the program will be in the black very quickly, much sooner than they had anticipated.

I still think a provincial recycling marketing board system to co-ordinate the supply of reclaimed materials and seek customers is workable. It could also promote and accelerate the building program of reclamation and recycling plants. According to the ministry's own figures, these plants would save \$1.75 per ton and disposal costs more than \$11 million every year for the 8 per cent of Ontario's garbage that would be affected. The ministry, I believe, should be encouraging as much separation at source as possible, but this is an education process and it involves a major shift in public attitude.

In the meantime perhaps we should be looking at a plant to handle the total garbage of a municipality, such as the Milwaukee plant. The minister and I have both seen this plant and the operation is im-

pressive. Here again, the key to all of this is the markets. Ultimately, I believe, the Milwaukee plant will recycle and reuse up to about 93 to 94 per cent of all municipal garbage, with the remainder going into land fill.

I believe the ministry should indicate to municipalities in the next year that no more landfill sites will be approved after 1981, or perhaps 1982; that's what BC has done. I think this would serve to start the municipalities thinking in a different direction. I think private industry can be encouraged to build several Milwaukee-type plants in the province and they should be given every encouragement to do so. Some companies now have the experience of building, operating and developing markets and that expertise should be tapped. In the meantime the ministry can carry on with its projects, which are already on stream.

I want to get into the government's pollution abatement programs for a moment. Recently serious questions have been raised over the Ministry of Environment's practice in the issuing of control orders and the legality of prosecuting those companies to which control orders have been issued. Two recent cases that have come to light are the prosecutions of St. Lawrence Resin Products Limited and Reed Paper Limited, Dryden mill. In both cases, the judge ruled that the companies were under ministerial control orders at the time of the prosecutions and therefore chose to levy minimal fines.

In the case of the St. Lawrence Resin plant, the company was fined, I believe, \$3,000 on September 27 of this year on three charges for air pollution. The lawyer for the ministry suggested at the trial that the company should be fined \$2,500 on each of six charges.

The judge ruled that he was satisfied the company was trying to co-operate with the ministry, and added that no charges could be brought against the company until the control order against the company was lifted. The order was to expire on June 30, but the company was granted until October 15 to comply.

It was the third time this company had appeared in court for air pollution. It won in 1971, but was fined only \$100 for air pollution in 1972. I understand the company is presently appealing this third conviction.

This case, I believe, raises the question of whether the ministry should be issuing or extending control orders at the same time that it is prosecuting. I would like the minister's comments on this case and whether anything is presently being done to correct the situa-

tion regarding the issuance of control orders.

The second example I refer to is the decision in the provincial court on September 8 regarding the prosecution of Reed Paper for \$5,000 for water pollution caused by its Dryden mill. The ministry laid 10 charges and the maximum penalty against the company could have been \$45,000, under the present legislation. In 1974 a ministerial order required completion of the primary and secondary treatment of waste paper at the Dryden plant by December, 1976. The company did not comply with the order.

Traditionally, as the minister knows, of all polluting industries pulp and paper companies have received the most lenient treatment by the government. The charges against Reed Paper were laid while Reed was under a notice by the government of intent to re-issue a new control order. The ministry lawyer stated that the ministry had been "trying to get Reed to co-operate since 1970 with little, if any, success."

Judge Roy Mitchell levelled criticism at the ministry for its failure to issue a new control order despite its prolonged opportunity to do so and felt the ministry was expecting the courts to carry out responsibilities vested in itself. He stated: "The court is being forced to exercise a discretion not conferred upon it."

The judge also stated that the law was made to look foolish because the ministry had withheld the new control order, which constituted "relevant, cogent evidence to the case." Can the minister tell me what he is doing to make sure that cases such as this do not occur again? Surely such lenient fines make a mockery of our environmental legislation?

For instance, has a new control order yet been reissued to Reed Paper concerning the Dryden mill, and has the company been legally obligated to follow the ministry's pollution abatement program since the lapse of the old control order? Is the company still contravening the old order?

Another area I wish to deal with along with the same topic is that of pollution by the pulp and paper industry. Surely it's time the ministry tackled this province's worst polluting industry through binding legal requirement? In the last three years only three of the province's pulp and paper mills have been charged for pollution offences and all 31 are exceeding ministry effluent guidelines for at least one environmental quality parameter.

A recent federal government study shows that Ontario's paper plants were dumping 268 tons of solids per day in 1975 and 1976,

and only a further 15 per cent reduction is expected before 1983. Waste water quality objectives of these plants were issued by the ministry in 1965 to be achieved in two phases, both to be completed in 1969. Between 1971 and 1976, the ministry did not undertake a single prosecution, even though the ministry's 1975 report showed that of the 31 mills, only three have met the government's objectives for BOD and six for suspended solids. None now meet the 15 milligram objective for suspended solids. These figures for 1977 remain essentially unchanged, as I understand it.

The reason that the situation has remained unchanged is that the ministry has done very little to enforce the present environmental legislation. I can still remember the previous Environment minister back in 1974 at a conference of the Canadian Pulp and Paper Association, telling them that the years of relatively cheap waste disposal in public air and water was over, that the costs of cleanup were affordable and the technology was available. He, however, did not follow what was called his "intentionally tough speech" with action.

You, Mr. Minister, delivered a second so-called "get tough" speech to the industry in Thunder Bay in February, 1976. This was followed with personal interviews with industry executives. New control orders were then issued to the pulp and paper companies; still nothing has changed. In short, we have had a number of false starts to get the pulp and paper companies to eliminate their pollution problems. I want to deal with that a little later and a little further.

Last month the minister assured us that the ministry was tightening up control of the pulp and paper industry by issuing a new set of stricter cleanup instructions. Are we now to believe that the ministry is serious about its commitment? Will the minister guarantee us that the ministry will prosecute offending industries after the firm deadlines for these new control orders pass? What will the minister do to make sure that the pollution control schedules for the pulp and paper industry are adhered to?

The ministry's report of October 1976, entitled "Alternative Policies for Pollution Abatement; The Ontario Pulp and Paper Industry," concluded that "most mills in Ontario can afford to control their pollution to a much greater extent than they are presently doing. Therefore, adequate economic incentives are needed which will make pollution more costly than abatement."

Will the minister introduce legislation to

provide for the kinds of economic persuasion that this report describes? Presently, the legal system has its problems when it comes to being effective in providing realistic coercion to achieve pollution abatement.

I would like to know the progress of the now historic "the-polluter-will-pay" Dow Chemical suit. I believe this suit is to be settled out of court. The Attorney General (Mr. McMurtry) mentioned that in the House the other day. How much will the company be required to pay? What sort of settlement is likely? Will the terms of the settlement be made public? I would presume they would. This matter has been going on for seven or eight years, and in the meantime both the minister and I have passed from the puberty to the menopause stage in life and if we don't soon get this cleaned up we will be into the—

[10:00]

Hon. Mr. Kerr: Senility.

Mr. Gaunt: —senility stage. So I would hope that that one will be drawn to a conclusion very shortly.

Mr. Ruston: Senior citizens.

Mr. Gaunt: In looking at the report from the Great Lakes Water Quality Board to the International Joint Commission last July, I was quite impressed with one of the recommendations. It states that the government should place more emphasis on enforcing the regulatory requirements for municipal and industrial dischargers. I fully agree with this recommendation and it is obvious that your own senior ministry officials on the water quality board also agree.

The water quality board report cites 10 significant industrial dischargers with incomplete remedial programs in Ontario and nine on the American side of the Great Lakes. I repeat, 10 major Ontario industrial dischargers were identified as opposed to nine on the American side despite the fact that our neighbour's Great Lakes population is about four times as large.

The identified major Ontario industrial dischargers are: American Can, Marathon; Kimberly-Clark, Terrace Bay; Domtar, Nipigon Bay; Great Lakes Paper Company, Thunder Bay; Abitibi, Thunder Bay; Eddy Forest Products, Espanola; Denison Mines, Serpent Harbour; Rio Algom Mines, Serpent Harbour; Polysar Limited, Sarnia; Dow Chemical of Canada, Sarnia; Allied Chemical Canada, township of Anderdon.

This very informative report by the Great Lakes Water Quality Board to the IJC tells me a lot about Ontario's industrial pollution

abatement program. I would like to touch on some of the highlights of the report.

During 1976 American Can in Marathon discharged 19,900 kilograms of organic substances each day. The effluent requirement imposed by the Ministry of the Environment was 18,100 kilograms per day. Taking into account the volume of discharge, this amount of organic substances in the effluent was equivalent to the concentration of 205 parts per million. It is my understanding that raw human sewage has comparable concentrations of organics.

What the report tells me is that your ministry allowed American Can of Canada to discharge waste with an organic concentration comparable to that of raw human sewage into Marathon harbour. We all know that American Can was fined \$64,000 in March 1977 under the Canadian Fisheries Act for discharge of mercury.

My question is, what do you plan to do about the discharge of organics from this plant? I know that the control order deals with mercury but not with organics.

And I say that American Can is just one industrial polluter. Similar cases can be found for other major discharges in Ontario. For example, your ministry allowed Great Lakes Paper in Thunder Bay to discharge 68,775 kilograms of organic substances each day during 1976. This represents a concentration of 500 parts per million, twice as concentrated as raw human sewage.

Abitibi Paper Company in Thunder Bay was allowed to discharge 39,220 kilograms of organic substances a day, an equivalent of 250 parts per million. In this case reported data showed that the plant was not able to meet even these generous effluent allowances from the ministry. In fact, is discharged 64,500 kilograms a day or an equivalent of 410 parts per million of organic substances during that year. That is almost twice the concentration of raw human sewage.

And yet we just recently learned that the control orders in Abitibi's Thunder Bay mills would not go into effect until late November or early December of this year. The list could go on and on. It seems to me, Mr. Minister, that your ministry ought to tighten up the effluent requirements for these major polluters of Ontario's waterways.

The ministry should also pursue more vigorously the enforcement of industrial pollution control.

As far as its industrial pollution abatement program is concerned, I really don't think the government can be proud of its achievement. Your ministry's newsletter of November 16 states that since 1960 the Ontario

pulp and paper industry has spent more than \$120 million on pollution control measures. The minister mentioned that in his statement again tonight.

This investment spans a period of 17 years. Since there are about 40 mills discharging into Ontario waterways, this works out to be approximately \$0.18 million a year per mill. I must admit that this is a positive step in the right direction but hardly an adequate one.

This particular industry is still a major polluter in Ontario. I've got three control orders here, one for Abitibi in Thorold, one for Abitibi in Sturgeon Falls and another for Abitibi in Smooth Rock Falls. The thing that strikes me is that while these plants are under control order, the plants themselves will not, in the case of Abitibi in Thorold, be constructed before December 31, 1980. In the case of Abitibi, Sturgeon Falls, the plant won't be constructed before December 31, 1981. In the case of Smooth Rock Falls, the plant will not be constructed before June 30, 1981.

In the meantime, these companies continue to pollute. The fish have a continuingly difficult time to swim and breathe. I'm sure many, in the meantime, will go belly up, to use a farm term. It seems the ministry should be taking a firmer and a more positive hand to control the pollution which is coming from these plants.

I had some more comments with respect to liquid industrial wastes, toxic and hazardous substances and also radioactive waste management, but I think I'll leave those comments to the individual votes because the time is moving on. I've really completed my full time for the consideration of the opening statements.

Let me close by borrowing a statement that was made several years ago at another place and another time and on another planet. Environmentally, this past year has seen one small step for man. What is needed is a giant leap for mankind.

Ms. Bryden: The Environment department was established in 1970, which was the first time this government apparently recognized there was something rather special called the environment. They seemed to have forgotten it in the charter for Ontario which came out in the election campaign. It wasn't even mentioned, which may indicate that the origin of the charter was some statement that Mr. Drew brought out back in the 1940s.

We've had a department or a Ministry of the Environment since 1970. The present

minister was appointed as head of it in 1971, then dropped out for the period from 1972 to 1975 and came back. We've had three different ministers running this department, which seems to indicate also that the government doesn't really take it very seriously. It's shuffled around for very short terms.

The objectives of the ministry as set forth in the annual report are very laudable. They are "to control contaminant emission, to establish safeguards to protect human health and the natural environment, to manage Ontario's water resources and to manage waste and to develop and maintain measures to restore and enhance the natural environment."

The question is, are we making any progress with this ministry and with these objectives? The annual report tends to go in for a bit of back-patting, talking about the air monitoring being the most advanced in the world. I'm not sure whether they've really checked out every country on that. The laboratories are North America's most sophisticated and versatile environmental laboratories. The thing is, are we getting results from these? So far we haven't yet got very much in the way of real standard set for environmental levels that are acceptable. We have some guidelines, but generally the standards are still to come from research. If we have the most sophisticated lab in North America, it seems to me we should be getting toward real standards that can actually be enforced, and not rely just on guidelines. In fact, the words "guideline" and "monitoring" are probably the most overworked words in the annual report.

What have we really achieved over the six or seven years since the ministry was established? Our lakes and rivers are more polluted than ever. You cannot eat the fish except occasionally. We have not yet closed the English Wabigoon river system to sport fishing, but we have decided it is necessary to close it to commercial fishing. We have an alarming report on acidic precipitation in south-central Ontario. The Great Lakes Water Quality Board, as my friend from the Liberal Party mentioned, has reported an overall improvement after five years of joint Canada-US activity.

While the air quality in Ontario has improved somewhat, we in Metro Toronto still have not reached the annual criteria for suspended particulates, as mentioned on page 35 of the annual report. Sulphur dioxide in Sudbury may be spread around a bit more with the larger and taller smoke stacks, but dilution is still pollution. The

still a good deal of sulphur dioxide coming out.

In the noise field, only one municipality has adopted the model law.

In land, we are still concerned about radioactive contamination in several areas—CB spills, water tables being affected by leaching from landfill sites and things like that. Even our drinking water is under question as to whether it is safe, whether the chlorination process is the best method of trying to keep it safe.

So what is the reason for this apparent lack of progress, or even back-sliding, by the ministry in protecting our environment? Some of the excuses you hear are that we are faced with new exotic contaminants, which is true. We are discovering all the time new hazards, new contaminants in our water and in our air. Some of these things are, of course, the result of better monitoring which I think you can give the ministry credit for.

Some of the foot-dragging may be due to restraints, but I suggest that in a lot of cases it may be false economy. Some of the foot-dragging is attributed to economic conditions in industry but some of the studies that have been made suggest otherwise, such as the one on the pulp and paper industry by Dr. Victor and Dr. Donnan, which was commissioned by the ministry. They came to the conclusion that the pulp and paper industry could certainly install adequate pollution control equipment without having to close any mills. Certainly today, with their improved profit picture because of the dollar evaluation, they should be in a still better position to install pollution control equipment.

I might add that this same study also pointed out that jobs would probably be created, rather than lost, as a result of installing proper pollution control equipment in the pulp and paper industry because a great deal of that equipment is manufactured in Canada.

So there appears to be a lack of a sense of urgency about the environment. Or is it lack of political will? There appears to be a penchant for passing "window-dressing" legislation and then not enforcing it, or for going in for flamboyant and costly political manoeuvres such as the Dow Chemical lawsuit.

There is a tendency to exhort rather than to enforce, yet I think past experience has shown that most industries are not going to spend money on abatement until it is more costly not to abate than to abate.

10:15]

Moving on to the Environmental Assessment Act, 1975, which was considered the centrepiece of the government's belated recognition of the environment and its response to the need to protect and enhance it. The Act in principle was good. It said that all new developments, and even additions to present developments, should be examined for their environmental impact before being proceeded with.

Instead of looking at things just from the economic point of view—were they viable, could we afford them, were they the best way economically?—we were going to look at the other dimension. What were their environmental effects on people, on land, on air, on water and generally on the ecology? What were the social costs, or what they call the external ecology costs, that have not been taken into the price equation on a lot of these projects in the past?

Unfortunately, there appear to be more exemptions than applications of this Act. Instead of being a shield, it's a fishnet.

I have counted the number of exemptions issued under section 30, which allows the minister to exempt any project if exemption is considered "in the public interest." The Act was proclaimed on October 20, 1976, only about a year ago. In that year there have been a total of 71 exemptions issued under section 30, plus three corrections to exemption orders.

These were not minor exemptions. These were not small projects or projects that were anomalies. These were very sweeping exemptions. For example, many ministries are completely exempt. I counted 14 to begin with and two were dropped out, leaving at least 12 still completely exempt. All Ministry of Government Services projects under \$1 million are exempt. That may be desirable administratively but it's a fairly large figure.

Conservation authority activities were exempt at first and then brought under a sort of blanket regulation which, in effect, gives them special treatment and lets them out of a great deal of environmental assessment.

Most roads which would be completed by 1980 are exempt, even though some of them are certainly still in the planning stage, including Highway 403 which is going to affect a very sensitive part of southern Ontario.

What will be exempt in the municipal field is still under consideration. At the moment municipalities are not being subjected to environmental assessment.

Here are some other examples of what has been exempt. Exempt in the Ministry of Transportation and Communications are most activities of TATO and the test facility of

the Urban Transportation Development Corporation and various works of the Ontario Northland Transportation Commission.

The Ministry of the Environment exempt their own resource recovery plant in North York—perhaps it was too far along at the time the Act was proclaimed. They've exempted the "watts from waste" project, which is still in the planning stage, and various sewage and water works on the ground that they had to be hurried along.

One of the reasons they had to be hurried is because they'd been delayed so long by the stalling of both TEIGA and the Ministry of the Environment in financing them and getting them going.

Under TEIGA, the whole parkway belt west is exempt on the ground that the landowners might be frustrated by another hearing. There will be some very sensitive projects coming forward which may be subject to some sort of regional government review but not to formal environmental assessment review.

We have the situation pinpointed by the organization called Save Our Trees and Streams—SOTAS—which is concerned about the potential loss of standing timber resource near Port Credit, which should be looked at by an environmental assessment before the route of Highway 403 is finalized.

In other ministries, the Ministry of Natural Resources is exempt on various plans for implementing the master park plan in specific groups of parks, including most of the major parks like the St. Lawrence parks, the Niagara parks and Algonquin Park.

In the Ministry of Government Services, the proposed Metro Toronto South Detention Centre is exempt, although tenders are not going to come in until January 1, 1979. Strangely enough, the demolition of the Don Jail is not exempt. Somebody better warn Mr. Drea that he can't get out his axes on December 31 and start knocking down the Don jail unless he gets an exemption from the Environmental Assessment Act.

Under the Ministry of Colleges and Universities all community colleges and universities are exempt; that is, all changes or additions. Only a brand new campus or a building on a campus that hadn't been built on would be exempt.

Under the Ministry of Industry and Tourism the whole proposed Edwardsburgh heavy industrial development was exempt, although I gather it's sort of died a natural death anyway. Three industrial parks were exempt on the ground that they would be under some other form of assessment anyway.

The implementation of a tourism development plan was exempt but no further details were given as to what this involved. The ministry was supposed to file by February 1, 1977, the list of projects.

Hydro: 17 projects were exempt, but no Darlington. It was on October 14, 1976, that 16 of those Hydro projects were named, and with regard to Darlington it was stated in the ministry's Update magazine: "Although Ontario Hydro's planning for the proposed Darlington nuclear generating station is well advanced, the government is not exempting this project from the provisions of the Act at this time." On July 25, 1977, about nine months later, Darlington was suddenly exempted.

The Atikokan generating station is also exempt, although the Treaty 3 Indians who were in to see the government just last week said that the government is irresponsible in not requiring an environmental assessment of this particular plant. It certainly is not at that advanced a stage that it could not have had some assessment.

Just to give you a little breakdown of these 71 orders, there are, as I say, 17 for Hydro, 12 for the Ministry of Transportation and Communications, seven for TEIGA, eight for the Ministry of the Environment, nine for the Ministry of Natural Resources, three for the Ministry of Industry and Tourism, 11 for the Ministry of Government Services and one each for Colleges and Universities, Culture and Recreation and the conservation authorities, making a total of 70, plus the three replacement orders.

I think this is something that makes you wonder whether the Environmental Assessment Act really does mean anything. Some of the reasons given in the exemption orders are that the public would be hurt by the delay. A lot of these projects, though, have been planned for several years and the delay is mainly the government's fault. They could have started the environmental assessments long before this particular Act was proclaimed. Other reasons that are given is that the costs would go up. We know that costs in an inflationary period keep going up. There may be additional costs if a project is built with the wrong criteria and if there is not an assessment of its impact. You may have to fix up the impacts later on.

Other reasons given are that they are already under way or that there's some sort of internal screening going on, such as with all the Hydro projects—they study themselves—or Government Services studies

colleges and Universities projects or the Ministry of Colleges and Universities studies them. In that case, the government is both judge and jury. It does the screening itself and there's no opportunity for outside hearings.

Other weaknesses in the Environmental Assessment Act, as I've pointed out several times, are its lack of opportunity for class actions and the sort of David and Goliath situation in which it puts people who wish to appear when cases go before a board because there's no public funding provided. Both the Porter commission and the Hartt commission have pioneered in this field and have decided that an inquiry or an assessment is not a true inquiry or assessment unless there is adequate public funding, because it simply gives the appearance of allowing all participants a say, whereas if they are on an unequal footing, there is not a fair hearing.

We're looking for legislation to improve the Environmental Assessment Act as the minister promised in a letter of a year ago to my predecessor in this portfolio, Dr. Godfrey.

Mr. Conway: Where is he now?

Ms. Bryden: He gave up waiting for the minister to bring in the amendments to the legislation he promised a year ago.

Mr. Conway: That must have been what happened.

Ms. Bryden: It certainly appears that the present legislation is just a farce or a charade, that it needs strengthening greatly and that it needs amendments to enable people to participate on an equal footing.

Moving on to some other areas, I certainly agree with the speaker for the Liberal Party that we need a great deal more done on recycling. It's ludicrous that you're planning to spend in this coming year just \$884,000 on recycling. In last year's estimates you put in \$13.3 million but only spent 8.9 million, and you've cut that down

this year. It seems to me if you're really going to go in for recycling seriously, you've got to have programs to assist municipalities to finance projects and do far more than these pilot projects we have on hand at the moment.

The land fill, industrial waste and pesticide problems are still very much with us. I'd like particularly to refer to the problem of the proposed landfill site at Maple which, if it goes ahead, will be one of the biggest landfill projects in North America. It's an example of the difficulties of an environmental assessment hearing.

Mr. Chairman: It is 10:30, Ms. Bryden.

Ms. Bryden: Yes, I have not finished. I guess I have only had about 20 minutes or so.

Mr. Chairman: You have been on for 23 minutes now.

Ms. Bryden: I can perhaps finish up in five or 10 minutes on the next day.

Mr. Chairman: Okay. Very well.

Ms. Bryden: Because I was just going to start another topic.

Mr. Gaunt: Would Ms. Bryden like to complete now?

Mr. Chairman: How much longer do you have?

Ms. Bryden: About 10 minutes.

Mr. Chairman: Oh, good heavens, we are not going to sit for another 10 minutes now. We will have to adjourn until Wednesday morning at 10 o'clock and you will be going above your— you have gone 23 minutes now, so you have approximately eight minutes, as I gather. Is that not correct?

Ms. Bryden: I will try to cut it down a bit.

Mr. Chairman: All right. We will adjourn and meet on Wednesday morning at 10 o'clock, with Ms. Bryden having the floor.

The committee adjourned at 10:31 p.m.

CONTENTS

Monday, November 28, 197

MINISTRY OF AGRICULTURE AND FOOD

Agricultural Education Research Program	R-95
---	------

MINISTRY OF THE ENVIRONMENT

Opening statements: Mr. Kerr, Mr. Gaunt, Ms. Bryden	R-96
Adjournment	R-97

SPEAKERS IN THIS ISSUE

Bounsall, E. J. (Windsor-Sandwich NDP)
 Bryden, M. (Beaches-Woodbine NDP)
 Conway, S. (Renfrew North L)
 Gaunt, M. (Huron-Bruce L)
 Haggerty, R. (Erie L)
 Havrot, E.; Chairman (Timiskaming PC)
 Kerr, Hon. G. A.; Minister of the Environment (Burlington South PC)
 McKesock, R. (Grey L)
 Newman, Hon. W.; Minister of Agriculture and Food (Durham-York PC)
 Riddell, J. (Huron-Middlesex L)
 Ruston, R. F. (Essex North L)
 Villeneuve, O. F. (Stormont-Dundas-Glengarry PC)
 Yakabuski, P. J. (Renfrew South PC)

Ministry of Agriculture and Food officials taking part:
 Carbert, R. W., General Manager, Ontario Agricultural Museum.
 Rennie, Dr. J. C., Executive Director, Education, Research and Special Services Division.
 Sewell, R., Executive Director, Finance and Administration Division.



No. R-37

Legislature of Ontario Debates

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Resources Development Committee

Estimates, Ministry of the Environment



First Session, 31st Parliament

Wednesday, November 30, 1977

Speaker: Honourable John E. Stokes

Clerk: Roderick Lewis, QC

CONTENTS

A list of the speakers taking part in the debates in this issue of Hansard appears, in alphabetical order, at the back of this issue.

Daily contents of proceedings also appears at the back of this issue. Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff. Phone 965-2159.

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LEGISLATURE OF ONTARIO

WEDNESDAY, NOVEMBER 30, 1977

The committee met at 10:13 a.m.

ESTIMATES, MINISTRY OF THE ENVIRONMENT

Mr. Acting Chairman: I see a quorum.

Hon. Mr. Kerr: You've got better eyesight than I've got.

Mr. Bounsall: He's got triple vision this morning.

Ms. Bryden: Mr. Chairman, when I left off on Monday night I had been talking about the exemptions granted under the Environmental Assessment Act. In fact, 71 were given to government activities. In my opinion they appear to affect more than half of government operations, if you added up all the exemptions.

But I didn't really go into the biggest exemption of them all, which is really the private sector. I know the Act was extended to the private sector in January 1977, but it's extended only on the basis that a private sector operation is brought in by designation, which is done by regulation. To date there have been only two designations, as far as I know. One is to Reed Limited for the proposed timber limits and sawmill and pulp operations that were to be undertaken under the memorandum of understanding. The other is the designation of a hydro-electric development by Inco on the Spanish River, which was designated at the request of Inco. These are the only two private sector operations that have been designated for environmental assessment.

It seems to me we should be expecting momentarily a designation of the new mining agreement with Prospections Limited, which I think it's called, which was just reported in the press within the last two days and in which the minister made a statement on Monday. It sounds like a very large grant of prospecting area to a mining company up in the James Bay area, and we do not know what the environmental impact of this sort of exploration would be in this area or whether it is a particularly sensitive environmental area. I would hope that would be designated immediately for an environmental assessment.

But, Mr. Chairman, both the minister and

I are probably a little bleary-eyed this morning from having attended a meeting in Mississauga last night to discuss the proposed burnings and the past burnings of PCB wastes at the St. Lawrence Cement Company.

This brings up the question of why this particular operation was not designated for environmental assessment when the Act was proclaimed in January 1977. It seems to me that it is one of the most appropriate ones for a hearing and I'd like to ask the minister if he will indicate to us whether he intends to designate this operation for hearings. It seems to be very irresponsible to experiment in a heavily populated area with the burning of something as dangerous as PCBs which are reputed to have cancer-producing properties and to have serious effects on people's health.

By carrying on these so-called experimental burnings, the ministry was putting at risk the health of thousands of residents, even perhaps millions, if you consider that the entire water supply of Metropolitan Toronto could be affected if any of these PCBs escape.

It is more than irresponsible to do such experiments in secret and before any hearings have been held. The need for hearings was indicated certainly by the questions raised at the meeting last night. Questions, such as: Are there alternatives? Are there other locations where these PCBs can be disposed? Are there proper regulations for the handling of the PCBs in the plant and in shipping to the plant? Should we be importing large quantities of PCB material, adding to the risk and the possibility of accidental spills on the highways or in the trans-shipping, especially because at the present time we do not have any special rules for regulating the transportation of hazardous substances of this sort?

The Minister of Transportation and Communications (Mr. Snow) says he's still waiting for the federal government to move in this field. We surely cannot contemplate large imports of this material until we have such regulations in place.

The people at the meeting wanted to be sure that any method being used was fail

safe; and you have to present evidence, have cross-examination and a hearing to determine that.

All these questions must be answered, it seems to me, before the burnings can be allowed to commence.

I heard the minister last night pledge that he will not permit the burnings to recommence until there is at least another public meeting. But that is not an environmental hearing. I doubt if the residents would consider another public meeting good enough. What we want is a commitment to a full environmental assessment; and I think the residents deserve it, after these two years of experimental burnings they didn't know about and all the fears that have been roused as a result.

The fact that the law does not require any hearings before a certificate of approval is given seems to be a defect in the law. I feel that in answering questions in the House, the minister has somewhat confused the issue by talking about certificates for experimental burnings and certificates for ongoing burnings—as though there were two kinds of certificates.

I have copies of four certificates that have been issued to the St. Lawrence Cement Company, and I can't see that any of them are marked "experimental." Nor do they have any limit on the quantities of materials or the time that the certificate was in effect. You would expect, in an experimental certificate, that there would be a time limit and a quantity limit. There are, in the certificates, lists of the materials that can be handled.

I would like to know whether all of these certificates are still in effect. The minister, last night, agreed to withdraw the certificate, which presumably is the latest one, dated January 8, 1976, and under which it appears that burnings could go on legally. Although the company manager has said they will not go on, and I think he's agreed with the government to suspend them, is this January 8, 1976, certificate of approval still legally in effect and could burnings still go on? Why has it not been rescinded, if there have been commitments made not to carry on burnings, at least until there is a public meeting? I would hope that all the outstanding certificates would be rescinded. I would like to ask the minister what is the status of the other three that I have here as well as the one he appears to have agreed to rescind.

What this meeting last night indicates, and what the St. Lawrence Cement situation indicates, is that there is need for

amendment in the legislation to require environmental hearings on certificates of approval, particularly for the handling and disposal of very hazardous substances.

There is also the need for amending legislation, as I mentioned earlier, to allow for public participation on an equal footing in the hearings that are held. I would like to read into the record the minister's letter of September 15, 1976, to Dr. Charles Godfrey, my predecessor as critic of this portfolio, in which the minister said:

"To increase the scope and effectiveness of this area of control"—he's talking about prosecution activity—"I am recommending the amendment of our environmental legislation to provide wider scope for citizen prosecution and class actions, as I have stated recently in public."

That was more than a year ago. We're still waiting for that legislation. We still need public participation legislation. Bill 100, which the House rejected last week, was not adequate for providing help for public participation. It simply said that people could have access to ministry staff. What is really needed is public funding so that groups can hire their own lawyers and researchers and be on an equal footing with the companies that want approval for waste management or disposal projects of any kind.

On that note I'll conclude my opening remarks, Mr. Chairman, and perhaps we can get on to the discussion of the details.

Mr. Chairman: Mr. Minister.

Hon. Mr. Kerr: Mr. Chairman, I think some of these questions probably should be answered, because they might leave an erroneous impression about various things.

I think I'll leave the questions raised by Mr. Gaunt until he's here. If he arrives, fine.

Mr. Acting Chairman: He is in the committee next door.

Hon. Mr. Kerr: All right. I'll start with Ms. Bryden. Oh, Mr. Gaunt, you're here now; so I'll deal with some of your points.

You had a question regarding the progress of resource recovery centres. The experimental plant you mentioned, and as I mentioned, has been in partial operation since last March. I will be in full operation next spring. You probably realize there was some delay because of the electricians' strike. It's at least six months behind time because, basically, the actual construction was closed down. Full scale construction recommenced recently.

We expect the "watts from waste" project will commence next fall. It took some time to obtain the land. There was some objection

the rezoning of the land. We almost had to go to expropriation but it wasn't necessary. It has been taken care of. I believe there is an Environmental Assessment Board going. Everything is now cleared in that respect and "watts from waste" will go ahead, fully, next year.

We carried out engineering feasibility studies in about 13 other areas. There are several at the advanced planning stage, including Peel, Halton, Waterloo, Lindsay and Huron.

You mentioned that the existing provincial financing program for resource recovery facilities is inadequate. I mentioned in my opening remarks, I believe, the reason there is some hesitation on the part of the municipalities, was that our program provides the higher capital cost of construction of resource recovery plants, of which 50 per cent is a grant and 50 per cent is a loan, recoverable over 40 years. That would appear to be adequate.

As I mentioned before, landfill is much cheaper. Of course, sanitary landfill is much cheaper. There might be a difference of between \$4 and \$5 a ton between landfill and resource recovery. There is a certain amount of municipal reluctance because there are still the risks. There are still some uncertainties. One of these plants is operating, either on the continent or in Europe, at full capacity. There are frequent breakdowns, frequent examinations and reassessments of the operations of the plants, particularly in the DRF situation of those plants.

As I say, the operation is much more expensive than landfill. We've got to encourage municipalities to get into resource recovery, particularly the more urbanized areas. There's the question that we're concerned about prime agricultural land. We're concerned about the whole philosophy of burying garbage. Of course, more and more citizen groups are objecting to opening up new landfill sites. They require lengthy and costly hearings and, as you know, nobody wants a landfill site in their back or front yard. There's more sensitivity about that type of facility than there ever been.

With that type of objection and with those pressures, municipalities are being encouraged and, you might say, pressured into resource recovery. We're doing everything we can to encourage them.

Mr. Gaunt: If I might just interject at this point, the minister mentioned that several of the projects were in the advanced planning stage. He mentioned Peel and Halton. I didn't mention the other ones.

Hon. Mr. Kerr: Waterloo, Lindsay and Huron.

Mr. Gaunt: Are the Kingston, Sudbury, Metropolitan Toronto and London projects off?

Hon. Mr. Kerr: Kingston has a plant now. A transfer station and resource recovery plant is operated there privately, as you probably know, by Tricil. That is in operation. I wasn't referring to those; I was talking about new ones about to get off the ground.

You asked what our current objective is in achieving recovery of a specific percentage of garbage by resource recovery. I don't think we have a specific objective such as 90 per cent by 1985 or anything like that. What we are trying to do is to encourage resource recovery in areas where the life of existing landfill facilities is limited, where there have been applications for a new landfill site or where engineering studies have been done to pick a new site.

For example, we are encouraging resource recovery in areas such as Hamilton, Owen Sound and Lindsay, where they are saying to us, "We've only got three or four more years left in the life of our sanitary landfill site; we have to apply for a new site." We are showing them our program and reminding them again of our program, because in one or two cases of which I am aware, and possibly there are more, the application will mean that a municipality such as Owen Sound or Lindsay may have to apply for a site outside of its own boundaries. As you know, it causes a great deal of controversy when one municipality plans to dump its waste in another municipality.

Those are the areas where we are encouraging the municipality to have a facility within its own boundaries, whether it's a form of incineration, resource recovery or what have you. This is the road we are taking.

I talked about Peel and Halton, which are in an advanced stage. You will find that in those areas, either late next year or early in 1979, the construction of plants will be dealing with those areas.

As to the percentage of waste paper produced in Ontario that is being recovered, about 20 per cent of the potentially recoverable paper used in Ontario is already being recycled for use. Some paper, as the hon. member knows, is not recoverable. We are a large exporter of paper, and of course that paper is not available for recycling. We have attempted to encourage recycling of paper. One of the problems has been the fluctuation in the market. A year ago paper was a glut on the market. We were working

with Metropolitan Toronto at the time regarding paper pickups, and that municipality was about to abandon its separate paper pickups because of the lack of markets. Now, of course, the situation has changed substantially, mainly because of the idea of energy conservation. With the new insulation program, new plants are starting up to produce insulation for houses.

Paper now is a demandable commodity for recycling, and they are making about \$70 a ton. What is happening is that we're feeding the market by encouraging recycling at the local level. Local depots finally are getting rid of great inventories of waste paper. We are, as you have suggested, on the verge of getting a program under way at Queen's Park whereby the paper generated within this great complex can be picked up and hauled to market. "Watts from waste," for example, would be an ideal location for much of this paper once that plant is under way, if we want to use it for the generation of energy.

This year we started a program of collecting old telephone books; I believe it involved the Ministry of Government Services working with Bell Canada. Does anybody know how that program ended up? How did the drive with collecting old telephone books go? Did it get off the ground?

Mr. Williamson: Yes, Mr. Chairman. Bell Telephone and the Salvation Army combined in the collection of the telephone books. We arranged that the old telephone books could be used for the preparation of fibre insulation. That program will be renewed this year, so that pretty well all the books that are collected will be recycled and re-used.

Ms. Bryden: If I may interject, I never could find out when they were coming to collect them in my area or where to take them.

Mr. Gaunt: We had difficulty in our office finding out. My secretary knew about it and she scouted around and finally discovered the place to which the collection was being taken. I wonder what sort of advertising this program had.

Mr. Haggerty: Bell sent a notice out with their monthly bills.

Mr. Rossall: I just sent all mine to the minister's office.

Hon. Mr. Kerr: You knew about it, then. There must have been some advertisement. I can remember having some sort of insert from Bell; whether it was with my bill one

month or whether it was a separate notice, I can't say.

That is a type of program we will encourage; not just telephone books but paper generally—all recyclable paper that is generated at Queen's Park. I agree that this is the place to start, particularly if the market remains as buoyant as it is at present.

Mr. Gaunt: I will feel comfortable about housecleaning my office if I can be assured that the paper is going to be recycled.

Hon. Mr. Kerr: I think we can see little bundles in front of this main building every Thursday morning that could be picked up.

Mr. Gaunt: Has any official within the ministry ever contacted Domtar or Reed or Continental Can to see if they would pick it up directly from this complex?

Hon. Mr. Kerr: Do you know about that Mr. Williamson?

Mr. Williamson: There was a major study carried out for all of the government buildings in co-operation with the federal government, because we also studied federal government buildings. The study was carried out by Reed Paper, and they have discussed it with the other paper companies as well. In fact, this is one of the methods that may be used when we get down to this in detail. We'll be starting it at 135 St. Clair shortly.

Hon. Mr. Kerr: The other question you had was, "What program does the ministry and industry have to incorporate the use of waste metal in the production of steel?" As the hon. members know, our ferrous metal scrap already is used quite extensively in the production of steel. Apparently the market is off now, for some reason or other. I'm not sure whether it involves the mixture of the ore or whether the steel industry itself is down.

I understand from people who are in the scrap steel business in the Hamilton area that the market isn't as buoyant as it was say, six months ago. I know, from the project we talked about to remove old vehicle hulks that they are not moving quite as fast as they were a few months ago. That surprised me because I thought, with the cost of the manufacture and production of steel so high that waste ferrous metals would be more in demand.

Mr. Haggerty: What is the tonnage the scrap cars that are coming in from the United States now? Would you have any record of that?

Hon. Mr. Kerr: You mean scrap steel coming in to Stelco, for example?

Mr. Haggerty: It must be coming from the United States. I noticed some transports on the Queen Elizabeth Way coming from Niagara Falls and Lewiston, I think. The transports are loaded with scrap cars.

Hon. Mr. Kerr: The scrap dealers in the Hamilton area have had contracts, because when the market is very good they don't get sufficient steel from Ontario alone. They have to get not only a better mix but a greater quantity so they can maintain their inventories.

As for the question about tin, that of course is being used in the steel industry. Tin and tin cans are being recycled; also, foundries and mini-steel mills are prepared to accept this material. We have entered into a contract to sell the first 2,000 tons to be produced at the experimental plant. We have a contract with Lasco, I believe, for ferrous metals. Assuming that our experimental plant will be successful in separating waste of this kind, it will also develop and enlarge the markets for this material. Then when more of the front-end plants, for example, are built in various municipalities that market will be there and of course will have to expand.

You mentioned the St. Lawrence Resin and Reed Paper company and that we could not prosecute for failure to—I guess we didn't quite get down to number eight. What we are doing now, particularly after the Reed Paper company case, is importing what we call staged control orders.

First of all, we don't admit there was a problem with the control order with Reed. We think that was a comment of the judge, obiter dictum, if you want to say that. The fact is that he did convict under our charges and our prosecutions. In my opinion, if he found that much of a problem with the control orders, he shouldn't have registered a conviction. However, he reflected his feelings in the amount of the fine. There is no question about that.

But the fact is that the existing control order was to mature at the end of 1976. It was impossible for the company to meet the terms of that control order 30 days from the end of the year, so in November 1976 we prosecuted the company. We feel it was quite right to do so. We didn't delay the new control order. We were negotiating a new control order. Because of a bog-down, shall we say, or a lack of progress in respect to the new control order that would take effect in January of this year, coupled with the conditions at Dryden, we prosecuted the company.

However, having said that and so that there is no confusion in any court's mind in the future, what we'll do is issue control orders that have stages within the control order. If, say, it's a control order that would last for a period of five years, certain things would have to be done by that company, say, within a 12-month period.

Mr. Gaunt: Like your most recent control orders?

Hon. Mr. Kerr: Right. That's the type of thing we'll do. I think we'll avoid the criticism that the court gave the Reed Paper prosecution—

Ms. Bryden: Might I just ask, would that mean the immunity from prosecution which is in the Environmental Assessment Act would not apply if that particular stage had been met, even though there was still an ongoing control order for further stages?

Hon. Mr. Kerr: That's right, yes. After all, the idea is that if we are imposing a control on a large plant, such as a pulp and paper plant, a foundry or something of that kind, we know that the company is a source of pollution. Our main objective is to have that pollution cleaned up. It is not to haul those people into court and get some sort minimum fine while the problem continues. Our main objective is to have that plant clean up and install the abatement equipment and things of that nature that are necessary to meet our standards. That is why we have this so-called immunity from prosecution during the term of the control order.

In this case, for example, if a certain requirement was to be met at the end of a 12-month period and that company is in breach of that stage of the control order, it is no longer immune from prosecution on that particular aspect of the control order. That is another advantage of having this staged in that way.

Ms. Bryden: Can I ask, does the immunity from prosecution apply to R and Ds issued under the Ontario Water Resources Act or to control orders issued under the Environmental Protection Act? Or does it just apply to orders under the Environmental Assessment Act?

Hon. Mr. Kerr: I think it's the Environmental Protection Act.

Mr. Gaunt: It is the Environmental Protection Act.

Ms. Bryden: So it's only orders under that Act that provide the immunity from prosecution. Is that correct?

Hon. Mr. Kerr: It may be under the Ontario Water Resources Act. Is that right, Neil?

Mr. Mulvaney: The Reed case itself, I would say, is now an authority that requirement and direction under the Ontario Water Resources Act does not protect a company from prosecution under the Environmental Protection Act.

Hon. Mr. Kerr: The hon. member mentioned the Dow suit. The Attorney General recently commented in the House that there's an attempt to settle that suit. The main concern is for the fishermen who are affected by the ban on commercial fishing back six or seven years ago. They are the ones who suffered the damage. They are the ones whom we want to see compensated as a result of that. The Attorney General, I understand, is making some headway now with a review of some sort of settlement based on compensation for those fishermen.

The only other thing I would want to say is that in spite of the lengthy time it's taken to bring this matter to court, the attitude of that company has changed substantially as a result of that suit. They no longer use mercury in their process. Their other requirements in respect to pollution control are, I believe, satisfactory and meet our requirement. The fact that mercury levels in fish in the St. Clair River have substantially decreased is encouraging and would reflect the clean up on behalf of Dow.

The hon. member, as well as Ms. Bryden, talked about the IJC water quality report. The reference in that report to the number of major polluters on both sides of the border refers to 10 industries from Ontario and nine from the United States. For one thing, the board identifies discharges with incomplete remedial programs. For example, a number of plants in Ontario are under a control order which has not matured as yet; so they were identified as polluters. But, as the hon. member knows, if these plants are complying with our control order within time, they will ultimately meet our standards.

We sued one of the plants, the Marathon plant of American Can of Canada Limited, and got a substantial fine against them. They have closed their chloralkali plant—the mercury processing plant—as I mentioned in my opening remarks. So it would not be singled out now as it was, I believe, in a report handed down last July.

Mr. Gaunt: Kimberly-Clark?

Hon. Mr. Kerr: Kimberly-Clark is a pulp mill. I understand it is under a control order. I don't know if we have the timetable of that control order.

Great Lakes Paper, of course, is under a control order. At Abitibi in Thunder Bay, a substantial amount of the \$44 million will

be applied to that plant. I guess we are aware of the problems with Denison Mines and Rio Algom mines in the Elliot Lake area. They are now both under control orders. That control order was appealed last week, but there was a settlement and they will comply with the control order.

Mr. Gaunt: There was some question that they weren't complying. I think the hearing was based on the assumption that the plant would not expand, but I believe it has expanded.

Hon. Mr. Kerr: What plant is that? Abitibi? Or are you talking about Denison Mines and Rio Algom?

Mr. Gaunt: I'm talking about Denison Mines and Rio Algom.

Hon. Mr. Kerr: The companies now have permits from the Atomic Energy Control Board for mining in the Elliot Lake area. Those permits were issued some time ago and, of course, there will be an application to enlarge on those permits to increase the amount of production. In the meantime, with our Environmental Assessment Board hearings, together with our control order, we are requiring that certain things be done not only in respect to old existing mine tailing areas, but in respect to any increase in the mining production in that area by the two companies. So before they receive further permits from Atomic Energy Control Board, there is an agreement between the federal agency and our ministry that these requirements be met at the time any application for increased exploration in mining is made.

Mr. Gaunt: I would like to interject on that point, Mr. Chairman. A Globe and Mail news report dated January 7, 1977, states: "Mr. Kerr said his ministry staff were negotiating with the two uranium mining companies in Elliot Lake on a cost-sharing arrangement to pay for the \$50,000 water treatment plant." Then, in a news bulletin called The Miner's Voice, September 1977 "Ted Cheeseman, a vice-president of Rio Algom, says mines and processing facilities are being expanded from 4,500 tons a day to 10,300 tons a day at a total cost of \$176 million. The first stage will be completed next year."

Hon. Mr. Kerr: My information is that they still haven't got a licence for that.

Mr. Gaunt: So they're actually flying without a licence so to speak.

Hon. Mr. Kerr: Those are the company plans; and if that company is in compliance with our control order and satisfies us and AECB, it may very well get that permit.

Mr. Gaunt: Your news release of September 23 said, "Ontario's Environmental Assessment Board will hold a public hearing this fall to consider the environmental implications of expanding uranium mining in the Elliot Lake area."

Hon. Mr. Kerr: That was a year ago.

Mr. Gaunt: I'm sorry; September 23, 1976. So Mr. Cheeseman was simply projecting what the company's plan would be; and there is no approval for that type of expansion as of yet?

Hon. Mr. Kerr: Not the volume mentioned in that story.

Comparisons are always invidious, but one of the things that wasn't mentioned in any of the news stories with respect to the comparison between Canada and the United States is that the volume from the US sources is much greater. We've all heard about Reserve Mining in Silver Bay, Minnesota, and the volume of contamination that's coming from that operation. All I would want to say is that if we got down to the nitty-gritty and got the figures to compare the 10 with the nine, I think you'd find the volume from the nine US sources was much greater.

In compiling this report, IJC asked each of these companies for data; a number of US companies did not reply, so they're not included in this report or singled out in any way.

The point is that the reference in the IJC report is correct as it is. The heading is very important. It identifies significant discharges with incomplete remedial programs; in other words, not that the programs are incomplete but that the remedies are incomplete. Hopefully, as time goes by, these will be completed.

Mr. Gaunt: Just to complete the list: What about Domtar Packaging at Nipigon Bay in Red Rock? Is it under a control order?

Hon. Mr. Kerr: Mr. Barr, have you got information on that?

[11:00]

Mr. Barr: Domtar Packaging at Red Rock is under an existing requirement and direction, which is under the Ontario Water Resources Act.

Mr. Gaunt: Right. And Eddy Forest Products in Espanola?

Mr. Barr: They have a notice of intent for a control order served on them now.

Mr. Gaunt: We have already discussed Rio Algom. What about Polysar at Sarnia?

Mr. Barr: Yes. They have a control order.

Mr. Gaunt: And Allied Chemical?

Mr. Barr: I don't have them listed here. I can get it for you.

Mr. Gaunt: Just on a matter of clarification: American Can, for instance, is discharging a lot of organics into the bay. Will this continue even though they are under a control order? Will it continue until the control order lapses?

Mr. Barr: That's right.

Mr. Gaunt: In other words, for their period of cleanup there is nothing further that can be done to lower the organics they are dumping into Marathon harbour?

Hon. Mr. Kerr: I would think that American Can's existing control order must include the organics you refer to as well as the mercury. Can we refer to the information we have on American Can?

Mr. Gaunt: Also Abitibi Paper with respect to organics.

Mr. Barr: Can I go back to Allied Chemical? It is under a control order. I only have the pulp and paper with me at the moment.

Do you want to go through each one of Abitibi's mills? There are eight of them.

Mr. Gaunt: Thunder Bay is the one I am interested in.

Mr. Barr: Just in Thunder Bay? All three have control orders in existence now.

Mr. Gaunt: And they are discharging about 64,500 kilograms per day, which is about 410 parts per million. Is there any phase-out of that in the immediate future?

Mr. Barr: Yes. In the one mill—the provincial mill—the sulphite part will be phased out next year. The other two mills will be in compliance which will reduce the BOD within a five-year period—by 1982—by about 75 per cent of existing BOD in terms of tons per day.

Mr. Gaunt: And what about American Can?

Mr. Barr: The paper part?

Mr. Gaunt: Yes. They are discharging about 205 parts per million.

Mr. Barr: It has a requirement and direction which should put it in compliance by the end of 1980.

Mr. Gaunt: So in the meantime there is very little that we can do about that volume of discharge.

Mr. Barr: True. It is a continuing program for completion in 1980; so we are three years away from complete compliance. But it involves a progressive staging of works and equipment; so there will be reductions

over the period. However, for full compliance we are three years away from that.

Hon. Mr. Kerr: One of Ms. Bryden's questions was: "How do we justify statements in the annual report indicating that our air monitoring system is the most advanced in the world and that two of our lab facilities are the most advanced in the world?"

I should just make the people who are involved in this monitoring system stand up, I suppose, and that would answer the question. But I will say here that we took a lead in establishing a continuous air quality monitoring system in recording instruments. It began in 1970. It transmits air quality data from the instruments located in principal cities to a central office in Toronto. It is as yet the only telemeter air quality monitoring system in Canada.

Our air pollution index alert system has been recognized at such places as a Royal Society meeting in London, where a Professor Magaw of the monitoring and assessment research centre at Chelsea College in London, stated:

"I am not a Canadian, so perhaps I may be forgiven for boasting a little about the air pollution control system operated by the Ministry of the Environment in Ontario, which I believe to be one of the most effective in existence."

Another paper, quoted by a Professor Bach of the University of Munster in Germany, stated:

"The province of Ontario is one of the first to promulgate an Air Pollution Control Act which may again serve as an example for all the other provinces that later followed suit."

Not many people realize it, but we were the first jurisdiction that did something about auto emissions. We established regulations regarding auto emissions back in late 1969 or early 1970. We had standards in effect before the federal government, and at that time the US government was still negotiating on certain standards with the automobile companies.

From that point of view, I think our alert system and air monitoring network is first-class. We would like to see it expanded, of course, in other urban centres. However, we're covering the main industrial centres of the province. It's becoming familiar now—it has been for about four or five years—to hear reports about every hour on the hour from various radio stations in this area on the air pollution index readings in Hamilton and Toronto. Sometimes it gets to the

point where there's competition between the two cities. I suppose that overlaps from the traditional competition in football and other athletic endeavours. For example, we will find an announcer in Hamilton say with great glee that the API in Toronto is 10 points higher than in Hamilton.

But to be serious for a minute, there's no question that information now is given on a very regular basis. We've expanded that to Sarnia and other areas where, although they have a monitoring system, they haven't been getting the information locally on the air on a regular basis.

Ms. Bryden: Mr. Minister, the system of collecting the information may be good, but perhaps the enforcement isn't. I notice you mentioned that 1,150 used cars were checked to see whether the emission devices had been tampered with. What percentage of the used car sales in the province does that represent?

Hon. Mr. Kerr: I haven't got that figure. I don't know if we have it or not. I would have to get that for you.

Ms. Bryden: Also, the suspended particulates in downtown Toronto, according to the graph in your annual report, are still no down to the criterion level, although I know you have been making progress.

Hon. Mr. Kerr: Yes. One of the great advantages of the air pollution index is that there will never be another situation where you will have high readings for a long period of time such as you had in the great fog in London and, I suppose, the "fog bowl" during the Grey Cup game a few years ago.

When the readings now get above a certain level—usually 32 is the first notice time—we contact industry. There have been cases in Hamilton for example, and Toronto where we have closed down large industries for period of time because the index was continuing to go up to 40 and over 40. Just through a telephone call from our air branch these industries have co-operated, particularly during the period of an air inversion and the API has levelled off, then has been reduced and has gone back to normal. We don't have those emergencies now because by the continuous monitoring and network equipment we have set up, we're ready for a situation like that before it gets out of hand. That, of course, has a substantial effect on the health of people.

We have made some progress generally in the province in particular matters. I still not entirely what we want to see, but we don't have the increases that existed a few years ago. Our objectives are quite

trigent. For example, you might be interested in knowing the number of times that the air pollution index readings were greater than 32, which is the acceptable level. In Toronto during the period from January 1 to October 31, 1977, 32 was exceeded only four times and it never reached 50; in Hamilton it was 10 times and it didn't reach 50—none of the cities I'm mentioning here got to near the first stage of closedown, which is 10, during the period from January 1 to the end of October. In Sudbury, believe it or not, there were no readings during that period over 32. In Coniston there were no readings over 32. In New Sudbury and Windsor there was one each. There were no readings over 32 in Windsor, Niagara Falls or Welland.

That indicates not only that the monitoring is working, but that our control program is working with industry. These are not monitors, of course; these stations are not located next to the industry. We have other types of monitoring equipment, but this is the air pollution index I'm talking about, which gives the overall average air quality in the community.

You mentioned the noise bylaw. You mentioned only one. We have four municipalities now that have approved bylaws.

Ms. Bryden: That have adopted the model bylaw?

Hon. Mr. Kerr: Yes.

Ms. Bryden: Which four are they?

Hon. Mr. Kerr: North Bay, Barrie, Guelph and the united townships of Galway and Tavendish. Bylaws passed by the councils in Hamilton and Etobicoke are awaiting ministry approval. More than 20 other municipalities have this type of bylaw under discussion with the ministry.

As you probably know, the first draft bylaw was issued in March 1975. It was revised in May 1976 and further revised and distributed in November of this year.

I think Mr. Manuel can comment on this, but there has to be some revision as a result of experience to make sure that it is practical and enforceable and that's why there has been some revisions.

Regarding the Victor-Donnan report that you mentioned, Ms. Bryden, we have taken exception to it by the information that Mr. Barr gave to Mr. Gaunt.

As to our recent control order with Bitibi, there's no question that our objective is to get every pulp and paper mill in the province to meet our standard within a reasonable period of time.

[1:15]

I think Mr. Gaunt or Ms. Bryden indicated that the pulp and paper industry is in better shape because of the devaluation of the dollar. There is no question that the devaluation of the dollar helps the export of pulp and paper from Ontario. But the fact is the cost of a ton of newsprint in the southern United States, for example, is anywhere from \$10 to \$30 less than it is in Ontario.

Our industry is no longer competitive. You have heard that from the industry at a Chamber of Commerce meeting. Our statistics and research indicate that's true. Because of the old mills in many parts of Ontario and because of labour costs here, the production of pulp and paper in the United States is much more competitive. It costs much less per ton than in Canada. I am not making any economic excuses for the company but, just to be clear on that point, when you hear the company officials saying they are in a tough situation, they are not entirely incorrect. However, we still have a control program. We are putting them, as Mr. Barr has indicated, under R and Ds or control orders, or they are on a program to meet our standards. We feel they have to meet these standards if they intend to stay in business in Ontario.

Ms. Bryden: May I ask how many of the 31 are not under a control order?

Hon. Mr. Kerr: I believe there are about a dozen not under a control order at the present time.

Mr. Barr: They are all covered by either R and Ds, as we call them, or control orders. Some are in compliance, so everyone is—

Hon. Mr. Kerr: No, there is a number set out here somewhere.

Mr. Barr: There were 31. We have 11 existing control orders, five R and Ds and four program approvals, which is 20. We have notice of intents issued for five, and six are in compliance. That totals 31.

Ms. Bryden: Are you trying to get them to reach the standards set forth in the 1965 guidelines for the industry, which I understand none have reached entirely on the BODs?

Mr. Barr: I think you will agree, Ms. Bryden, the majority have reached compliance in suspended solids; the BOD or biological part is really what's covered under the most recent orders.

Ms. Bryden: They have only reached the first stage on the suspended solids, have they not? Have any of them reached the second

stage that was set forth in the 1965 guidelines?

Mr. Barr: I can't comment in detail. In general cases some have, but I can't tell you which ones.

Ms. Bryden: But not very many?

Mr. Barr: That's true.

Ms. Bryden: Are the new orders intended to reach the guidelines set in 1965, or are there new standards?

Mr. Barr: Those standards plus some a little more stringent in some cases, depending on the particular mill and the particular location. If anything, they should come very close to the 1965 guidelines, plus a little more in some cases.

Ms. Bryden: How long will it take them to reach the levels set in the guidelines?

Mr. Barr: This varies from mill to mill. For example, the Abitibi orders are five-year orders, and American Can's is for 1980; so some are closer and some are not longer than 1982. As I say, some—we show six—are in compliance at the moment.

Ms. Bryden: So it is going to take another five to seven years to reach the standards set 12 years ago?

Mr. Barr: Yes.

Mr. Gaunt: I think there are really two concerns here. One, as Ms. Bryden has pointed out, is that this has been going on for a long time, 12 years, and we are still not to the point where there's going to be a substantial improvement. On the other, is the minister now saying the industry really cannot afford to clean up any quicker? Is that the interpretation? I believe the minister mentioned last year, or the year before, that the industry, in his view, could afford to clean up.

Hon. Mr. Kerr: In other words, we agreed with the Victor-Donnan report in respect to the industry. If the Victor-Donnan report was wrong, I assume the industry would have got back to us to correct any errors. So we are moving ahead on the basis of that report.

As the report says, the economic conditions of the industry fluctuate a great deal. For example, 1971 was an exceptionally good year because at that time there was a situation somewhat like the present time when the dollar was devalued. Then when it became par, or the Canadian dollar was at a bit of a premium, the effect was rather drastic on the pulp and paper industry. That was when the industry started to get the type of competition that now exists, particularly from the southern United States.

But, as I say, we are going ahead on the basis that we're from Dixie as far as their problems are concerned. We have certain standards we want to meet and we think that with these control orders and the time of these control orders, if they are going to stay in business in the various sensitive areas of the province, they have to meet our requirements and our standards.

There is always a certain amount of threat to close down a mill, if we require unreasonable standards in the mind of the industry. One of the results of the Abitibi program has been to close down a part of a mill in Thunder Bay. That apparently is going to result in the layoff of about 50 people. The industry has said they will be absorbed in the other mill or will be laid off through attrition. However, at this stage in the economic history of the province we don't want to see that event taking place too often. But that indicates the type of situation the industry is in. They are just not in a good economic position.

Mills built in 1898 or 1906, for example, are bound to cause problems. They are expensive to modernize and to improve, and in many cases industry says: "That comes first before the installation of secondary treatment." We have to debate that and say it should be done in tandem. There are certain incentives, such as the fast tax write-offs, and our pollution loan system which, although it is probably not as enriched as they would like, assists and offers some form of incentive to clean up.

We have gone into these aspects of the industry with various companies in some detail for a number of months now, and there has been a continuous series of announcements by the industry about the problem that exists. The comment that was made to the Premier in Japan is the type of thing they are repeating over and over again. Our environmental laws put their competitors in a better economic position than some of the mills in Ontario; that's something that was pointed out to us. Many of their competitors exist in areas where there are no pollution control laws, no air emission standards and no effluent standards. They just go merrily on. There is no question that makes competition tough when they have to spend \$44 million for example, as Abitibi is required to do, on the other amounts applying to other companies.

The point I am trying to make is that we are not in the business of making trade offs. We have standards, and we are doing our darnedest to make sure these companies

under the program meet those standards within a reasonable time.

Another thing Ms. Bryden raised was the question of the Environmental Assessment Act and the number of exemptions that have been given since the regulations were promulgated about a year ago. I think, first of all, a little history is necessary.

After the legislation was passed by the Legislature in 1975, the Premier set up what he calls the Chant committee, which is under the chairmanship of Dr. Chant of the University of Toronto and which, I believe, also involves the Deputy Minister of the Environment and two or three other officials within the government, to draft and prepare regulations for this legislation. First, of course, were regulations to cover provincial government ministries; then they dealt with conservation authorities, and now we are finalizing regulations for municipalities.

At the time the bill was introduced and debated in the House, my predecessor, Mr. Newman, indicated these regulations would come first, would be promulgated and would be in operation before the private sector was entirely dealt with—although, as you mentioned, some private projects have been brought within the terms of the Act.

The legislation exempts projects that are not in the conceptual or initial stage. In other words, as I mentioned during the Darlington debate, to deal with an environmental assessment they must be in the very initial stages of the project—some months before there is any sod turned, in the event it is an edifice or a plant of some kind. One of the alternatives available to the board has to be that the plant does not go ahead. You could have a situation where a substantial amount of time and money is spend on design and engineering, where there is a substantial amount of acquisition of land—maybe even involving expropriation—or where everything is done to clear the site, for example, as in Darlington. Then to require an Environmental Assessment Board hearing, which could take about two years and which has the right to say there will be no plant there or no plant period, flies in the face of the real intent and purposes of an assessment of this kind under this legislation.

Mr. Haggerty: I hope the minister is not indicating we can't have an environmental assessment hearing because Hydro has plans on its drawing board or because it has a site here or there. That's what he is saying.

Hon. Mr. Kerr: No. It has to be in the very conceptual stage.

Mr. Haggerty: They could be buying and

purchasing the land and nobody would know what for.

Hon. Mr. Kerr: All I'm saying is that in October 1976, when the regulations were brought in affecting Hydro and other provincial government agencies, plants like Darlington and Atikokan, for example, and a number of highways, as well as various buildings planned by the Ministry of Government Services, were all exempted at that time by the Chant committee.

[11:30]

Those are the exemptions you refer to when you give a total figure. They came before these regulations were promulgated, so it is unfair to say there were 46 exemptions and only two assessments applying to certain projects. I think you have to start after those exemptions, because the Act has broad provisions in that everything applies. Unlike the Act brought in by the United States, where you had to bring in a project before it would apply, everything is covered—even whether you are going to disturb the fauna in some northern area or maybe even disturb the sex life of the tsetse fly or something like that. Everything is covered. It is very broad. That's why, when the Chant committee brought in these exemptions, those were projects that didn't come within the criteria set for the early conceptual staging of that Act. And there was the alternative of not going ahead.

To be fair, as I say, you should look after October or November or December of last year. Those projects, which would have been covered immediately because of the terms of the Act, had to be exempted because in some cases the contracts had been let or tenders had been called. There might even have been equipment at the site, particularly in the case of highway construction.

Ms. Bryden: I doubt if the contracts for highways are let up to 1980.

Hon. Mr. Kerr: Without having that provision, some contracts that would have been let in 1977 would come under the provision of the Act. That is why it was necessary, at the time the Act and the regulations were brought in, to have these exemptions once and for all. Once the Act has got two or three or four months under its belt, then new projects that would be coming on stream, new projects that were then in the conception stage of the planning stage automatically, without any reference, would come under the provisions of the Act.

Ms. Bryden: Darlington and Atikokan are at that stage where they should at least be looked at for possible impact.

Hon. Mr. Kerr: No, this was the decision of this committee we set up. Atikokan was never under the Act.

Darlington, as I said in an announcement last year, would be included for the time being, pending studies by the Ministry of Energy and Hydro during the early part of 1977, public hearings and that sort of thing. It was decided in July of this year, because of the advanced stage of the project, that it would be exempt. I guess we debated that one back and forth. I certainly don't anticipate—and I said this during the debate on the Darlington exemption—that there will be any more. All future Hydro plants will come under the provisions of the Environmental Assessment Act.

Mr. Gaunt: I would hope so because, based on what the minister has said, I am sure Hydro has plants on the conceptual planning stage stream up to perhaps 10 years hence. They have done some work in terms of planning. Does that mean now the ministry is going to exempt those planned plants under the Environmental Assessment Act legislation?

Hon. Mr. Kerr: I've got a fellow back there who is the head of the environmental approvals branch of my ministry and he's sitting there shaking his head. Perhaps he would get up to a microphone and answer that question.

Mr. Haggerty: He is shaking his head in disgust.

Hon. Mr. Kerr: I don't know if he is shaking his head "yes" or "no".

Mr. Caplice: Mr. Gaunt is correct. They are continuing with plans. Hydro, as they have indicated in material tabled before the Porter commission, are talking about E-15 and E-16 as the next two generating stations. Both of those will be covered fully by the Environmental Assessment Act and process.

There is no doubt, however, in an organization with the mandate that Hydro has, that forward planning has to go on and that the exact nature of those stations with regard to fuel, location et cetera has yet to be set. They have announced they are looking at sites in Ottawa. They are looking at sites in the north channel of Lake Huron. They are also looking at the existing site they own up in Wesleyville.

Mr. Haggerty: And several sites on Lake Erie.

Mr. Gaunt: The Lake Huron one has me worried.

Mr. Caplice: So it has been agreed, and

it is fully agreed within Hydro, that they will be covered by the Environmental Assessment Act.

Hon. Mr. Kerr: I think that basically answers your questions, Ms. Bryden. You talked again about the Act this morning. You enlarged even more on the exemptions. I expect the Act will be extended to the private sector next year. Reed and the hydro stations of Inco in northern Ontario, as you have said, were voluntarily brought under that legislation. Elliot Lake is under Environmental Assessment Board hearings but that is by way of order in council. Onakawana is going to be subject to the Environmental Assessment Act. That is another private project. We will have the benefit of the experience of those hearings. Companies now are realizing that many of these large-scale projects, particularly in the north, are sensitive and controversial.

Mr. Haggerty: Isn't that in contradiction to what you said a few moments ago concerning the Darlington plant? The study at the Onakawana project in the James Bay area has been going on for six or seven years. They have already been doing some strip mining at that site. You can apply the Environmental Assessment Act there but you can't apply it to a nuclear plant in the province through Hydro.

Hon. Mr. Kerr: There have been a number of studies at Onakawana. They have been on and off. The potential of the lignite in that area has always been vague. There has been a difference of opinion. They are still in the stage of trying to determine whether it is an economically feasible type of project. However, as I said, it is a private project. I would not normally require the application of the Environmental Assessment Act but again, because of the sensitivity in that part of the north and because of submission made to the Hartt commission—

Mr. Haggerty: What you are actually saying is that if it is in the private sector you have some control, but if it is a project of an arm of a government agency such as Hydro it can be exempt.

Hon. Mr. Kerr: No. The point I am trying to make is this: The proposed Darlington station is much farther down the road as to final decision, location, type of fuel, size of plant, scheduling of construction—everything is much further advanced than Onakawana. Onakawana isn't a certainty by any means. The company hasn't completed its financing for example. In the meantime, it has agreed to be subject to the Environmental Assessment Act.

Ms. Bryden: What about Prospections limited, just announced by the Minister of Natural Resources (Mr. F. S. Miller)? I think is a large-scale mining agreement—

Hon. Mr. Kerr: That's a long lease.

Mr. Sharpe: I don't know very much about other than what I have read in the paper, but it has a lease from the Ministry of Natural Resources, as I understand it, to explore.

Ms. Bryden: Yes, it's a rather novel lease. It is one of the largest in history. It gives the company a great deal of land over which they can prospect and then choose smaller areas. It seems to me it would be an ideal area to be designated for an environmental assessment before this goes ahead, because it is an unusual form of lease.

Hon. Mr. Kerr: It could still possibly be subject to that. You mentioned the hearing last night and, as I indicated, I will be making a decision whether or not there will be public hearings and the legislation that will apply to those public hearings.

You mentioned a letter from Dr. Godfrey in September 1976. You talked about making an amendment to our legislation, giving wider scope for citizens' prosecution in class action. That, of course, is not tied in with public funding of citizen groups; that's not the same thing at all.

Ms. Bryden: I agree. Legislation in both those fields especially for the hearings, was that I was asking for.

Hon. Mr. Kerr: You mentioned the certificates again. If you listened carefully last night regarding this question about experimental certificates or permit certificates, the point I have always been trying to make in my answers in the House is that a certificate of approval was issued during the time of this experiment.

For example, in respect to PCB burning, a certificate of approval was issued on January 6, I think, and that experiment didn't end until April 1977. In other words, the certificate of approval was issued, and in January there was a seven-day experiment with respect to the stack. Is that right, Mr. Miller? There was no further experiment regarding PCB burning until the fall of 1976. There were a number of days then and again during the winter of 1977, when there was monitoring and experimentation. So the PCB certificate was in existence for 14 months, not two years as is continually reported in the press, and the total period of that experiment was the time the certificate was in effect.

What I have been trying to say, over and

over again, is that the certificate of approval was part and parcel of the experiment.

Ms. Bryden: Mr. Minister, the certificate has no expiry date on it.

Hon. Mr. Kerr: I realize that. But certificates can be revoked, repealed or withdrawn if there is any problem regarding the experiment. If the decision was that it was not practicable or advisable to burn PCBs there, that certificate would have been withdrawn.

Ms. Bryden: There are four certificates affecting St. Lawrence Cement. They don't all mention PCBs, but they mention various other kinds of chemical compounds. Are all of them still in effect? None of them has an expiry date.

Hon. Mr. Kerr: That's right; all exist. The one we talked about last night was the one issued in January 1976. That one involves the PCB burn and will be withdrawn.

Ms. Bryden: Are you planning to withdraw the others?

Hon. Mr. Kerr: No.

Ms. Bryden: Are they then still in effect?

Hon. Mr. Kerr: Yes.

Ms. Bryden: Shouldn't the subject of any future hearings about St. Lawrence Cement cover all these different kinds of burnings? Presumably they are all possibly dangerous to the area.

Hon. Mr. Kerr: I would think there is a strong possibility, if there is a hearing under the Environmental Protection Act, that all types of material for disposal would be considered.

Ms. Bryden: Wouldn't it be advisable to withdraw all the certificates?

Hon. Mr. Kerr: No, we have to have a means of disposing of that material. We know from our experiment that the material is not dangerous. The concern at the meeting last night was PCBs, and that certificate is being withdrawn. I don't recall any submission being made by anyone that the other materials—waste oils, for example—were considered dangerous. Certainly waste oils are being disposed of through incineration in plants with much less capacity than is available at St. Lawrence Cement.

The experiment concluded that the PCB burn is safe. Certainly much less toxic contaminants would be even safer as a result of this type of disposal. Contrary to what you have suggested, there is no better alternative method in existence.

Ms. Bryden: But should the legislation not be amended to require that there should be an opportunity for public hearings before any of these processes take place?

[11:45]

Hon. Mr. Kerr: The legislation as it exists now, particularly the Environmental Protection Act, requires that there shall be a hearing for the opening up or operation of a waste disposal site. This material was used as a type of fuel to manufacture cement; therefore it doesn't strictly come under the provisions of that Act.

The possibility of requiring hearings for the burning of PCBs, for example, is something that we will be considering, in view of the sensitivity and controversy attached to that type of disposal. I think there will be strong consideration that under some legislation that type of disposal of that type of material would be considered in some way.

Ms. Bryden: Can the minister indicate what would be the differences between a hearing under the Environmental Assessment Act and a hearing under the Environmental Protection Act for the PCB question in Mississauga?

Hon. Mr. Kerr: The Environmental Protection Act—I believe section 5 was referred to last night—is the legislation we have been using, certainly up until now, for the establishment of disposal sites, whether it's a sanitary landfill site, incineration or other types of disposal. Part of that Act was drafted and incorporated in that legislation a little later than the bringing in of the Act itself in 1971.

Whether or not it would be more appropriate to use the Environmental Assessment Act for this type of project is something we would have to decide. It's not a new project or undertaking in the conceptual or initial stage, which the Act refers to, which may have some environmental or social or cultural effect. It's a matter of sitting down with the people within the law branch of our ministry and other officials to decide what is the most practical. From my point of view the type of forum that would be available under either piece of legislation would be satisfactory to the people there.

At the meeting last night, the people indicated they want an opportunity to have their experts cross-examining our experts, because it's difficult for lay people to question the veracity or the technical accuracy of some of the experts' testimony. They want the opportunity at a public hearing that will take all the time that's necessary, and where they will have representation. Also, of course, they want to know what type of emergency controls will exist and what type of regulations and requirements will be imposed on the company. They also want to know that

there will be no danger resulting from that type of disposal, either by way of breakdown or transportation problems, handling, or the requirement of continuous monitoring and things of that nature. All of those, in my opinion, very legitimate concerns.

Regardless of the legislation we would use, I think the forum we would establish would give them all the opportunity they want to decide one way or another whether the burning should carry on.

Ms. Bryden: Are you planning to bring in any legislation to provide for funding of public participation in these hearings? I gather the groups last night want to, as you say, cross-examine. To do this, they are going to need considerable funding if these hearings go on for any period of time.

Now that you and I have helped to defeat Bill 100, which seemed inadequate in this field—

Hon. Mr. Kerr: Maybe for different reasons, though.

Ms. Bryden: —are you planning to bring in legislation in the next year to provide for public funding of groups appearing at hearings?

Hon. Mr. Kerr: I guess a precedent has been established in respect to the Hartt commission. But that, of course is not necessarily the same type of hearing; that would be under existing legislation where groups have been assisted financially to appear before the commission.

The only thing is that if we bring in legislation to provide financial assistance to people appearing to intervene or oppose an application, I would think the same type of provision would have to be applied to Ontario Municipal Board hearings, hearings under the Energy Board and the various types of public tribunals we operate from time to time in the province. I would think that would have to apply where citizens come before a board and oppose a particular application. It has very wide financial ramifications.

There is also no question that it would lengthen the period of these hearings and maybe postpone many of the decisions that should be made in the general administration of the province. But it is something, as a result of the private bills that have been introduced, that we are going to have to consider.

Ms. Bryden: And what about class action legislation?

Hon. Mr. Kerr: Yes, that is something we have been discussing. As a matter of fact, we are at the point of drafting some preliminary

legislation as a result of similar legislation in other jurisdictions.

For example, in the whole problem of mercury pollution I think some provision for class action would have been helpful. We were criticized because it was not available in that case. I think you may find legislation being introduced along that line at the next sitting of the Legislature.

Ms. Bryden: Thank you.

Mr. Chairman: Vote 2001.

Mr. Haggerty: I just want to follow up on some of the minister's comments.

Mr. Chairman: Is it under vote 2001? We have concluded the lead-off speakers and the answers. Now we would like to deal with each vote.

Mr. Haggerty: All right. That vote deals with administration. Right?

On vote 2001, ministry administration program; item 1, main office:

Mr. Chairman: Mr. Haggerty.

Mr. Haggerty: Thank you, Mr. Chairman. It is such a large committee this morning, I didn't think I would be first on the list.

I want to follow up on some of the policy statements by the minister and relate them to vote 2001.

Does the ministry use the facilities of the Ontario Research Foundation for any of its research?

Hon. Mr. Kerr: Yes, quite frequently.

Mr. Haggerty: In what areas?

Hon. Mr. Kerr: Apparently this is under the next vote, but I can answer it. We have involved the Ontario Research Foundation in some of our experimentation, for example, dealing with asbestos in drinking water. We have involved the Ontario Research Foundation in the question of toxic waste burning at the St. Lawrence Cement Company in Mississauga.

Mr. Haggerty: You did do that?

Hon. Mr. Kerr: Yes.

Mr. Haggerty: Perhaps you should have given some warning to the public that you were carrying on research at the centre before doing it on a larger scale, as you've done at that cement plant.

As a result of this research into the burning of the PCBs at the cement plant is it now considered safe to dispose of this waste material by burning?

Hon. Mr. Kerr: That was the consensus of the people who were involved in the experiment—and they included the Research Foundation, Environment Canada and our own ministry; we even had a United States agency

as part of this experiment. Their conclusion was that it was safe. Their testing and monitoring indicated that the experimental burning of that material was safe and wasn't hazardous to the residents in the area.

Mr. Haggerty: Was there any toxicity that remained?

Mr. Giles: The studies carried out in connection with the St. Lawrence burn of materials as a fuel went through a series of steps which increased progressively the contaminants contained in the fuel to the point where they had reached the PCBs. Those tests found there was no emission of PCBs through the stack.

Mr. Haggerty: Was there any other type of toxic element or something of a toxic nature that remained after the burning?

Mr. Giles: Nothing was emitted from the plant. It was destroyed in the cement-making process.

Mr. Haggerty: It was totally destroyed at that level?

Mr. Giles: Yes. That was the finding of the research group.

Mr. Haggerty: In other words, this is perhaps the way the ministry or the government is going to continue—to burn the PCBs?

Hon. Mr. Kerr: That's one method, yes. This, of course, is subject to further research. Until there is a better method, that's the type of method we will be utilizing. As you know, the St. Lawrence Cement project, as far as PCBs are concerned, is up in the air right now.

Mr. Haggerty: Is there any BTU value in this material?

Hon. Mr. Kerr: Do you mean as fuel?

Mr. Haggerty: Yes.

Hon. Mr. Kerr: Oh, yes.

Mr. Haggerty: What would it be?

Mr. Giles: I'm not sure of the numbers, but there's a very low concentration of PCBs in the fuel itself—the waste oil—and it requires a pretty careful formulation of the fuel containing the PCBs to be appropriate for the making of cement. So there's both the BTU value and the chlorine, which can be extracted and is used as a part of the cement-making process. Both are benefits derived from this.

Mr. Haggerty: In other words, you can use it as a source of energy in the process of manufacturing cement and there are other additives such as, you say, chlorine.

Mr. Giles: They extract the chlorine from these chlorinated hydrocarbons in the proc-

ess and it is used in the manufacture of cement.

Mr. Haggerty: So there is some value in the recycling of it, then?

In the program of monitoring radioactive wastes, in particular as it relates to water quality in the Great Lakes, does the minister have anything to report on that particular area at all? As a result of your monitoring, what stage are we at now? Is there any dangerous level? I noticed in the Great Lakes study report of the International Joint Commission that there was not too much information this time. Apparently they said your ministry and the federal government were looking at it again. Is there a difficult area in this?

Hon. Mr. Kerr: As far as radiation is concerned?

Mr. Haggerty: Yes. Radioactive waste in the Great Lakes water system. Is there a higher risk now than there was seven or eight years ago?

[12:00]

Hon. Mr. Kerr: As a result of our expertise in technology we are able to find areas that may be a problem. We have had the Eldorado situation at Port Hope as well as the Elliot Lake and Bancroft areas, where we are finding a degree of radiation in homes. As for March township, it was announced this week that it is natural radiation and not man-made radiation in any way. All this is as a result of improved sophistication in detecting radiation.

Mr. Haggerty: What is the level in the Great Lakes basin? That's what I wanted to know. I thought you would have had some study on that by this time.

Hon. Mr. Kerr: As far as water quality is concerned, that information is all available. Grant Mills can give you some detailed information.

Mr. Haggerty: I would like to know if it has increased or fallen off. We know that from these areas you have mentioned here—Elliot Lake and Port Hope and so forth—that there is an outfall of it going into the larger lakes.

Mr. Mills: There is no problem with the occurrence of radioactive material affecting water supply in the Great Lakes. There had been a problem of elevated levels in the sediments in the Port Hope area but it has just not translated into a water supply problem.

Mr. Haggerty: You can assure me of that, can you?

Mr. Mills: Yes.

Mr. Acting Chairman: I think this should be discussed under vote 2002.

Mr. Haggerty: I was just trying to get the minister's policy on it.

Mr. Acting Chairman: Is there any further discussion on vote 2001?

Ms. Bryden: Are you dealing with each item separately?

Mr. Acting Chairman: We can.

Item 1 agreed to.

Items 2 to 4, inclusive, agreed to.

On item 5, information services:

Ms. Bryden: With regard to the program of alerting people in vacation areas about the mercury findings in fish. I think the story first came out around April or May that there was a problem of mercury contamination in the fish in the Muskoka area, but the actual warnings to the cottage owners came out very slowly.

First, I think they just used the media, and the local media in the cottage areas don't particularly want to publish information that might discourage tourism. I don't think very much of it got into the media. The actual publication of the reports and the guide to eating of the fish did not get out until the vacation season was half over. I just wonder whether the ministry's information services are geared up enough to warn people about hazards of this sort and to do it in time for them to become aware and act on them?

Hon. Mr. Kerr: As you may know, our information services branch was issuing bulletins regularly pretty well for the whole of this year and even before this year, once our sampling program started.

The booklet you are referring to was a compilation of all the previous information. The booklet took longer than expected to put together, and there was a delay in printing. In the mean time the ministry was issuing regular bulletins to the press, to various other ministries, particularly the Ministry of Natural Resources, to tourist operators, to sportsmen's associations and to people in the area of the particular lake where those fish would come from.

We have been quite regular, and quite loyal, in issuing these bulletins, in spite of the fact that the news was not always good or positive. We started out with the Great Lakes, dealing with mercury, PCBs and Mirex; then we moved into inland lakes, which are more popular from the point of view of public fishing.

Finally, we issued this free booklet called Guide to eating Ontario Sport Fish which

as I say, was a compilation. We sampled about 167 locations in 1976, which information was part of this booklet that came out in 1977, indicating the health implications of certain levels in various species of fish and things of that nature. So, even before the fishing season started in 1977, we had a great deal of information in the hands of the public.

Ms. Bryden: Could you tell us how many copies of the Guide to eating Ontario Sport Fish were produced?

Hon. Mr. Kerr: We have the cost figures. Mr. Frewin, would you like to deal with that?

Mr. Frewin: Mr. Chairman, I am the director of the information services branch. Five thousand copies of the main guide, the large catalogue, were published. They were distributed and made available in the Ministry of Natural Resources and Ministry of the Environment offices and in public libraries and municipal buildings in various areas.

Supporting and complementary to those guides is the pamphlet which contains a great deal of information and describes the thrust of the program. Approximately one million of those were published, and they were widely distributed in a variety of ways. Our own ministry distributed them in southern Ontario and into the Muskokas in a kind of display board arrangement in 65 supermarkets. We also made them available in libraries and municipal buildings, and at information centres operated by the Ministry of Industry and Tourism.

This program was initiated last year under the auspices of the Ministry of Health, with support and contribution from our ministry and the Ministry of Natural Resources. This year our ministry is responsible for it, and we hope to have the material out in the vacation fishing areas by April 1 or April 15, coincident with the beginning of the fishing season.

Ms. Bryden: Did you use any media ads to alert people to the dangers and to the fact that they should pick up or look at one of these books?

Mr. Frewin: No, not last year. There had been widespread publicity through the release of the monthly bulletins, which was undertaken commencing last January. This was sort of a catch-up program. There was a backlog of lakes that had been analysed and the results were coming out of the laboratory; this material was the substance of the fish catalogue. We released these on a monthly basis over the winter, as they became available, after the information had

been checked by technical staffs of the two ministries, Natural Resources and our own. Those were the bulletins the minister referred to.

We are continuing that program of issuing bulletins. We have one coming out this week containing information on some 63 lakes that have been tested and the results have been confirmed over the past month. We will continue that program.

All this information from the bulletins, which have come out since last summer when the first catalogue was published, will be compiled in the 1978 catalogue. We hope to have that available by April.

No advertising was undertaken because of the technical problems in printing the catalogue originally and because of the great amount of newspaper and other media publicity that had been given to the issuance of the bulletins.

Ms. Bryden: Was the media publicity in the vacation areas?

Mr. Frewin: Yes. I think you can appreciate that the media will publish it where there is something to say affecting the region concerned. For example, if there are five lakes in a region and there were no fish that were contaminated to any great degree, that story would not be published in that area's media. But if there was some contamination, it would be published widely.

The point is that the public and anglers were well advised as to the types and the amount of contamination of certain species.

Ms. Bryden: Mr. Minister, are we making any progress in trying to find the source of this contamination and to eliminate it, if possible?

Hon. Mr. Kerr: In one of the earlier bulletins we issued dealing with Lake Simcoe. We mentioned we have a team of people, made up mainly of people at the regional office, who are continuously testing, analysing and searching to find some man-made source of mercury contamination in the recreational lakes. They have been testing sediment; there is one plant, for example, a tannery, that may have used a mercury compound of some kind in its manufacturing process. We are sampling all the outfalls of municipal sewage works in that area. We are also sampling rock formations with respect to the possibility of natural sources.

This winter, for example, we will use the snow to check further any possible so-called acid precipitation that may be the cause of the problem in that area. I am questioning that from a lay point of view. You may have a lake in the Muskokas, for example, where

you will have a high reading of mercury in certain species of fish, while the same species in an adjoining lake will be well within the safe levels. So you question whether contamination from acid rain or air pollution is the source. I am not aware of any illegal dumping that goes on up there that would cause the problem. That's the type of thing we would look at.

I am hoping that within the early months of 1978—we have had some interim reports—that we will have a final report that indicates once and for all what the source is.

[12:15]

We have developed some pretty efficient sampling and analysis techniques for air samples and precipitation. This is going on, as I say, as a result of intensive studies in Lake Simcoe and Muskoka. We have also looked at drinking water. We have analysed a total of 12,000 drinking water samples to make sure the supply is potable. There is some indication in the sediments that municipal sewage works, or the lack of them, may be at least in part the cause of the problem.

Mr. Acting Chairman: Any further discussion on item 5?

Mr. Gaunt: On this matter of polluted lakes and fish, in 1972 the then Department of Lands and Forests issued a report or bulletin indicating there were 300 lakes in the province which were polluted and that, particularly from the standpoint of mercury, the fish from these lakes should be eaten only at certain times and within certain sizes. The ministry issued a list in July of this year indicating 167 lakes were polluted.

Have we made some progress? Is that what one reads into the fact that in 1972 we had 300 and now we've got 167? If we have made some progress, and I hope we have, how has this been achieved and are we continuing to monitor these lakes? For instance, in 1972, I believe, Lake Kapuskasing was mentioned prominently because I believe the Spruce Falls Power and Paper Company was dumping mercury into the river. Is monitoring going on in that lake or in that river and in the other 300 that were mentioned, at that time?

Hon. Mr. Kerr: As I've said, I think we have the known sources under control or eliminated. The pulp mill sources—for example, the chloralkali plants—either have been shut down or there has been a conversion to some other process. For example, in the Cornwall area they're well within standards. That's why, as far as the known man-made sources go, we've got them under control.

The St. Clair area levels have gone down in our recent fish samples. You'll probably be happy to hear the English-Wabigoon system is levelling off; there is no increase in even some of the large species there, and there is a decrease in some of the small species. Now that there isn't any mercury in Dryden, it's hoped the levels eventually will be safe enough to allow commercial fishing to open up in that area again. The same is true of many of the rivers in the Thunder Bay area and the area of the Spruce Falls plant; and in Hamilton the source there has been closed down.

Mr. Gaunt: So you are monitoring these?

Hon. Mr. Kerr: We were monitoring. In our fish sampling program, we keep checking those areas where there was a problem and where we know the source, to see if there's any improvement in the problem because of the containment or elimination of the source.

Mr. Gaunt: Thank you.

Mr. B. Newman: Mr. Chairman, I want to ask the minister if he is developing a toxic chemical inventory so he could alert industry and so forth that these chemicals can have a harmful effect?

Hon. Mr. Kerr: I don't want to cut you off, Mr. Newman, but that should be under another vote.

Mr. B. Newman: That's okay. I'll bring it up under another vote. I'll accept that.

Hon. Mr. Kerr: We are dealing with the information services item under the first vote.

Mr. B. Newman: Could I ask then if the municipal noise bylaw would come under information services?

Hon. Mr. Kerr: No. That would come under the next vote.

Mr. B. Newman: Okay. I'll accept that. It's quite all right.

Item 5 agreed to.

On item 6, analysis, research and planning:

Mr. Gaunt: A very brief comment, Mr. Chairman: I'm wondering what this particular branch is doing in regard to the problem of landfill sites. For instance, is the ministry looking towards advising municipalities that they should be phasing out their dependence on landfill sites after a certain date? In my leadoff statement I mentioned 1981, which is the target that has been set in British Columbia.

What kind of planning and research is this particular branch doing in that respect, and perhaps in some other aspects of environmental programs such as resource recovery and so on.

Hon. Mr. Kerr: As I indicated, we have an inventory of almost all the landfill sites we've been associated with in one way or another in the province. The life span of certain landfill sites is now coming to a close. It's still a municipal responsibility, as you know; the actual operation and control of those sites and the contracts dealing with the collection and disposal are municipal responsibilities.

But in areas where there is a need to open up new sites—and I suppose Halton is one of those—we're attempting to encourage the municipalities to get into resource recovery. The situation now, compared to a few years ago, is that it requires an application under the Environmental Protection Act, a public hearing and approval by the ministry. It also requires the type of standards for a truly sanitary landfill site and not the old-fashioned garbage dump. Its location, whether or not it's prime agriculture land and environmental effects in respect to water-tables and things like that nature are all considered before an Environmental Assessment Board hearing.

We are saying to municipalities: "Get into resource recovery; don't depend entirely on landfill. You'll require some landfill for some years to come, but not the type that you're seeing are necessary now, because you're filling those sites that are full."

Again, there's the economic problem. I'd like to be able to say to every municipality that I will finance the capital construction of resource recovery plants 100 per cent. But we haven't got that kind of money in our budget. So we do it on the basis of paying 70 per cent, but collecting 50 per cent back.

Because of the variety in the staging of landfill—new sites have been opened up and approved in some areas in the last year or so—but other areas are on the verge of closing existing landfill and looking for either more land or something else—it may be difficult to put a cutoff date. I think you can have a target date, an objective date, but I don't and I know that those municipal officials will say to us, "You're talking about two or three more mills on our tax rate," particularly in those regions subject to some controversy right now because of high taxation. They are very loath to allow the collection and disposal of garbage to become a cost to their taxpayers than it has been through traditional landfill site use. We don't have to sweeten the pot, I suppose, in some areas where there is a genuine problem in terms of financing the more modern mode of disposal that should be used rather than landfill. The idea of landfill has become a very controversial subject. I spent an hour at the Ontario Federation of Agri-

culture convention in Hamilton this morning; I had four questions, and all of them were on that aspect of the ministry: waste disposal. These were people who live in the country—not Rosedaleites—who have a real keen interest in this, but people who are affected by it. I think they are prepared to pay more to have a more modern method of waste disposal.

To set a cutoff date may be difficult. We have to encourage resource recovery. The markets are still not that certain. In the Halton area, for example, the opponents of resource recovery say, "Look what happened with Swaru. There's a plant that was built a few years ago to handle 1,000 tons a day and it hasn't gone above 250 or 300; and every once in a while they are spending a couple of hundred thousand dollars here or there for a patchup. It isn't that efficient and markets are not that definite."

We are going to have to encourage people to get into it. I can't help but say—and I can say it over and over again—if your party had supported our tax on cans, Mr. Gaunt, the revenue I would have got from that—the \$30 million or \$40 million—would have gone a long way to getting a program like that under way.

Mr. Gaunt: I was just waiting for that. I was counting the time until we got around to that one. I don't want to prolong this; perhaps we could even pass this vote before we leave. I consider this is a very important branch in the ministry, but I don't want to say any more about it. I will pass.

Mr. Acting Chairman: Is there any more discussion on item 6?

Mr. B. Newman: Yes. I think the question I had asked in the previous instance would fit right in this item, which is analysis, research and planning.

Hon. Mr. Kerr: Let me just read this to you, Mr. Newman: "Program planning and evaluation branch."

Mr. B. Newman: I am looking at the item called "analysis, research and planning."

Hon. Mr. Kerr: It should have a different heading. But it's the same vote. This is, I guess, for last year—

Mr. B. Newman: But it says "analysis, research and planning."

Hon. Mr. Kerr: Go ahead, Mr. Castel.

Mr. Castel: I am André Castel of the Ministry of the Environment. The program structure was changed this year and I believe the Chairman of Management Board, during the review of his estimates, explained the reasons which are, briefly, for con-

sistency and to enable comparison with other ministries.

Analysis, research and planning under this vote covers the program planning and evaluation branch, which is involved in the co-ordination of policy for the ministry and budgetary planning. The question that was asked really fits under vote 2004, which is resource recovery.

Mr. B. Newman: When I look at the back of your explanatory notes, I don't see analysis, research and planning listed. As you say, it's not in there. So I assume, unless you provide us with a guide as to what each vote is going to contain, we're at a loss also.

Mr. Castel: The guide was distributed, Mr. Chairman.

Mr. B. Newman: It may have been distributed but I didn't have the opportunity to be here at that time. I had other more urgent things in my own community that involved the ministry and its lack of consideration in terms of railways and their effects of the environment on the residents into at some time or other with your ministry.

Hon. Mr. Kerr: Now I've got the railways.

Mr. Lane: I didn't think railways came under this ministry.

Mr. Acting Chairman: Is there any further discussion on item 6?

Mr. B. Newman: Would landfill come under this too?

Hon. Mr. Kerr: No.

Mr. B. Newman: All right. Would sludge disposal come under it?

Hon. Mr. Kerr: No.

Mr. B. Newman: Would this item cover the request of the Essex County Lung Association for a grant to do research into the effects of the environment on the residents of Windsor as opposed to those in London?

Mr. Castel: This would come under the next vote, Mr. Newman.

Mr. B. Newman: Under legal services?

Mr. Castel: No, the next vote, which is environmental assessment and planning.

Mr. B. Newman: All right. I'll raise that. As long as you direct me where, I'll raise the issue; that's all.

Mr. Acting Chairman: It's now 12:30.

Mr. Gaunt: Are we going to carry that item?

Ms. Bryden: No, I have something else to raise.

Mr. Acting Chairman: The committee will meet again tomorrow at 10 a.m.

The committee adjourned at 12:32 p.m.

CONTENTS

Wednesday, November 30, 1977

Opening statements, continued	R-981
Ministry Administration Program	R-995
Main Office	R-995
Information Services	R-996
Analysis, Research and Planning	R-998
Tournament	R-1000

SPEAKERS IN THIS ISSUE

Eunsall, E. J. (Windsor-Sandwich NDP)
 Eynen, M. (Beaches-Woodbine NDP)
 Hunt, M. (Huron-Bruce L)
 McGerty, R. (Erie L)
 Orr, Hon. G. A.; Minister of the Environment (Burlington South PC)
 Paine, J. (Algoma-Manitoulin PC)
 Neil, R. K.; Acting Chairman (Elgin PC)
 Newman, B. (Windsor-Walkerville L)

Ministry of Environment officials taking part:

H. Sharpe, Deputy Minister
 R. Barr, Assistant Deputy Minister
 Williamson, Director, Resource Recovery Branch
 N. Mulvaney, Director, Legal Services Branch
 P. Caplice, Director, Environmental Approvals Branch
 W. Giles, Assistant Deputy Minister, Environmental Assessment and Planning Division
 H. Mills, Director, Water Resources Branch
 J. Frewin, Director, Information Services Branch
 Castel, Director, Program Planning and Evaluation Branch



No. R-38

Legislature of Ontario Debates

Official Report (Hansard) Daily Edition

Resources Development Committee

Estimates, Ministry of the Environment



First Session, 31st Parliament

Thursday, December 1, 1977

Speaker: Honourable John E. Stokes

Clerk: Roderick Lewis, QC

CONTENTS

A list of the speakers taking part in the debates in this issue of Hansard appears, in alphabetical order, at the back of this issue.

Daily contents of proceedings also appears at the back of this issue. Reference to cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff. Phone 965-2159.



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LEGISLATURE OF ONTARIO

THURSDAY, DECEMBER 1, 1977

The committee met at 10:08 a.m.

ESTIMATES, MINISTRY OF THE ENVIRONMENT (continued)

On vote 2001 ministry administration program; item 6, analysis research and planning:

Ms. Bryden: Mr. Chairman, I understand the research program comes under this. There are \$2.5 million allocated to the ministry from the Provincial lottery for research. I wonder if the minister could tell us how they intend to use that money. Will it be additional research to the regular program of the ministry, or will it take on some of the projects that have been planned earlier but haven't been put into action?

Hon. Mr. Kerr: The Provincial lottery would be under the next vote. If you look at 2002, Ms. Bryden, you'll see \$2.5 million there. It looks like under "S."

Mr. Castel: Vote 2002, item 1.

Hon. Mr. Kerr: Item 1, program administration? Here is the item down here.

Ms. Bryden: But we don't vote on statutory items.

Hon. Mr. Kerr: I see. So I guess it would be under 2002-1.

Ms. Bryden: Perhaps we can hold that back. I did have a copy of the 1976-77 research program for the ministry. I think I asked my secretary to phone and see if there was one for 1977-78 and the report was that there wasn't one. Does that mean we haven't yet completed the 1976-77 list? What are the ongoing plans for research? What are the main topics that are being undertaken?

Hon. Mr. Kerr: Do you mean with respect to the Provincial lottery in 1977-78?

Ms. Bryden: No, no.

Hon. Mr. Kerr: General research. The vote you're on now, analysis research and planning, might be explained in more detail by Mr. Castel so that the members will not be confused.

Mr. Castel: The research being undertaken in three specific areas. For the Provincial lottery, this would come under the next vote, item 1. We also have research under the

pollution control planning item and under the air resources item. I feel they could be discussed in detail at this time, if I may suggest it. Under this particular one there is no research really involved.

Ms. Bryden: Could you tell us what is under this vote?

Hon. Mr. Kerr: Last year it was called program planning in the evaluation branch, and probably that was more appropriate than analysis research.

Mr. Castel: Last year in the estimates there was an item called management services and this comprised the program planning and evaluation branch, internal audit and the office of the executive director of financial administration. Because of a change in program structure, the internal audit activity is shown separately and this particular item, entitled analysis research and planning, covers the program planning and evaluation branch, which deals with budgetary planning, co-ordination of policy, liaison with the central agencies, the MBR program.

Ms. Bryden: So that any of the specific research projects would come under the following vote.

Mr. Castel: Would be in the next vote, that's right.

Item 6 agreed to.

On item 7, legal services:

Ms. Bryden: I'd just like to ask the minister if the cost of the Dow Chemical case is included in this vote, and if he can tell us how much—

Hon. Mr. Kerr: No, that's the Attorney General's cost.

Ms. Bryden: But is it not charged back to the ministry?

Hon. Mr. Kerr: No, they have assumed the cost of prosecuting that case; it is my opinion that the total cost will come under the AG's budget.

Ms. Bryden: Mr. Chairman, the item here would cover legal services for the ministry's prosecutions under the EPA and so on, would it?

Hon. Mr. Kerr: Yes.

Ms. Bryden: Can I ask if the time for

appeal has passed on the Reed conviction that was registered last spring?

Hon. Mr. Kerr: Yes.

Ms. Bryden: So we're not planning to do anything further on that particular prosecution?

Hon. Mr. Kerr: No. Although the fine was low, our interest now is to get the company under a control order, not to give it any excuses about extra costs as a result of fines. The company is having difficulty, as many other pulp and paper mills are, in allocating sufficient funds to meet our requirements. The company lost money. That particular mill lost money last year and expects to lose money this year.

We're interested in making sure that they get under a control program, and rather than delay that by instituting appeal proceedings, which may, as in the original case, in some way hold up our control order, we've decided that we have the conviction, we have the precedent established that what we did was correct from a legal point of view, and now we're anxious to get the company installing the abatement equipment to clean up in the Dryden area.

[10:15]

Ms. Bryden: In the judgement, the charges on five counts were dismissed. One of the judge's comments was that he felt the two sections in the Act virtually said the same thing and one was redundant. Have your legal officials looked into this? Are you thinking of either eliminating a redundant piece of legislation or clarifying it? There were five charges under each of two sections, and I think the judge dismissed the charges under the second one on the grounds that it said the same thing as the first.

Hon. Mr. Kerr: I'll have Mr. Mulvaney deal with that. I think the court's comment was that we were laying two charges dealing with the same offence on the same day against the same company for the same reasons and, as you probably know, I believe there were at least 10 offences and the court felt that they would only find on five of them. Is that right, Mr. Mulvaney?

Mr. Mulvaney: Yes, Mr. Chairman, Mr. Kerr and Ms. Bryden. The charges were under section 14 of the Environmental Protection Act. We chose to lay two charges for each day under two different subsections of section 14—a charge for impairing the quality of the natural environment, which is a very general kind of allegation, and the other one for causing, I believe, alleged damage to plant life. But both resulted from precisely the same emissions and the judge

was unprepared to convict on both. We not too concerned about that decision. The two sections were remarkably similar, they applied in this particular case. It was partially a test situation in our minds.

I do foresee that in the future we'll have clearer case to deal with with some other company, perhaps, where we would lay two charges under section 14, perhaps one involving health and one something quite different—for example, harm to plant life something of that kind, and we would propose to test it at that time. We're not too concerned about that aspect of the decision. I think the important thing about the Reed decision, from a legal point of view, was that we found that the order under the OWRC Act did not provide a statutory defence under the Environmental Protection Act. I think that part is of some value to us.

Ms. Bryden: Thank you, Mr. Mulvaney. Does that indicate, therefore, that your conclusion is to retain c. (b) in the legislation that it still does have some different applications from clause (a)?

Mr. Mulvaney: Yes, it would depend upon the factual circumstances of each case. I strongly recommend that we keep all the subsections of 14. Situations will arise where we can use more than one in a given situation.

Ms. Bryden: Regarding your last comment about the control order under the OWRC, it pretty definitely established by that that all the control orders under the OWRC whether they're called control orders, RNDs or what not, and whether they relate to various sections of the preceding legislation, do not provide immunity from prosecution under that section of the Environmental Protection Act?

Mr. Mulvaney: Yes, not all of our orders do, in the sense that those under the OWRC Act are not seen to confer the statutory shield under 102 of the Environmental Protection Act. But those orders under the Environmental Protection Act certainly do confer the statutory protection for the duration of the time that the order applies, and so long as there is strict compliance with all the requirements set out in each order.

Ms. Bryden: But are we still proceeding under the OWRC Act on some controls?

Mr. Mulvaney: Yes, in some situations I see a better provision. Where there are certain investigations to be carried out, when the ministry is not able to precisely describe the kind of facility that we want a company to build and we want some room for them to move within the various designs that a

ssible, it seems to me the OWRC provision somewhat better in that respect.

Ms. Bryden: Of course it does have much over funds.

Mr. Mulvaney: It does, but, on the other end, not carrying with it the statutory shield, it would leave the company exposed to the charges under the other Act in any event.

Ms. Bryden: Thank you.

Mr. Gaunt: Ms. Bryden has mentioned the low suit and that cost, apparently, is charged to the Attorney General. I notice in the annual report it says: "Since its formation in 1975, the branch's claims and contracts section has handled 350 claims registered against various ministry contractors. Of this total, 27 claims at a value of \$315,000 were pursuant to the Mechanics' Lien Act. The remainder, amounting to \$1,940,000, were paid under the Public Works Creditors Payment Act." What's that all about?

Hon. Mr. Kerr: Those were claims by contractors in respect to water and sewage construction projects where there hasn't been complete payout of the contract. There could be holdbacks for various reasons. There may be some difference of opinion with the general contractor, there may be liens involved, things like that. That money is still owing. If there's any controversy or question about the payment, whether it could be made, or any claim on that payment, there would be a holdback pending resolution of any dispute.

Mr. Gaunt: I see. Fine, Mr. Chairman.

Item 7 agreed to.

Item 8 agreed to.

On item 9, Experience '77:

Mr. Gaunt: Mr. Chairman, there's a considerable increase in item 9. I presume the ministry is going to, or has hired this past summer many more students under the 1977 Experience program. Could the minister outline just how many students were employed under that program and what his plans are for the next fiscal year in this regard?

Hon. Mr. Kerr: We employed a total of 477 students, as compared to 420 last year.

Mr. Gaunt: Not much change, then.

Hon. Mr. Kerr: No.

Mr. Gaunt: So what's the added cost?

Hon. Mr. Kerr: The main cost here apparently is transfer payments. Salaries, of course, would be better this year. Maybe Mr. Higham could explain the transfer. The transfer payments item wasn't even in last

year for some reason or other; it's over half a million dollars.

Mr. Higham: The \$700,000 that you're looking at for the 1977-78 estimates, as you say, shows an increase over the 1976-77 estimates. In fact, during 1976-77, Management Board of Cabinet approved an increase in the funding for the Experience '76 program. The actual expenditure in 1976-77 is almost exactly the same, because the budget that's provided in 1977-78 is \$700,000.

Mr. Gaunt: It's essentially the transfer payment that blew it up, is that right?

Mr. Higham: What we're essentially doing is breaking the amount of money between internal ministry projects and projects which are carried out in various environmental faculties around the province. Some of the projects are carried out under the leadership of a professor. In some cases they are working on individual ministry projects in various offices of the ministry.

Mr. Gaunt: That clears it up.

Mr. B. Newman: If I may ask the gentleman, when are you going to first release information concerning the program?

Mr. Higham: The amount of funding for next year's program, which I assume is what you're getting at—

Mr. B. Newman: Right—just coming up.

Mr. Higham: —hasn't yet been established. There is a meeting of the various ministry representatives which takes place this week to discuss the amount of funding that may be available. The final decision on that probably wouldn't be made until after Christmas, very early in the new year.

Mr. B. Newman: How do you decide who you are going to accept into the program? Do you follow the Junior Ranger approach—first application, first acceptance?

Mr. Higham: Not totally, no. We appoint a committee of representatives within the ministry from the various spending programs who would be most likely to take advantage of this kind of program for summer student assistance. Each branch will make submissions of proposed research projects for the students to be working on. This committee then rates them in priority order and the students who have the background in those particular areas that are selected by the minister's committee are the ones who get put on.

As I mentioned a few minutes ago, that represents only about 20 per cent of the total funding into the program that goes to ministry projects. The other 80 per cent of the funding goes to environmental faculties—based

upon projects submitted by the faculties, and reviewed by the particular area of expertise within the ministry which then makes a judgement as to the particular project which has the biggest potential payback, if you will, for the kind of program we're into.

Mr. B. Newman: Who has the final say as to who is going to be employed?

Mr. Higham: The personnel branch together with the individual branch that's being affected. For example, if a study were being carried out on water pollution in the Muskokas, the director of the water resources branch would obviously be involved in that.

Mr. B. Newman: My only concern is that quite often students mention to me they've applied well in advance to a given program—not necessarily referring to this one—and that others who have applied afterwards have been accepted; the earlier applicant was not accepted. But you've mentioned sufficient to satisfy me.

Item 9 agreed to.

Vote 2001 agreed to.

On vote 2002, environmental assessment and planning program; item 1, program administration:

Ms. Bryden: A minute ago it was suggested we could talk about the research program under item 1. So could I have an answer to my question on what sort of research projects the \$2.5 million coming out of the provincial lottery is going to be used for?

Hon. Mr. Kerr: We've got about nine projects under way this year. One was the replacement of lead-contaminated soil around lead smelters in Toronto; another one was the cleanup of inactive and abandoned mining properties; another was testing PCT substitutes for toxicity and bio-accumulation in fish—this was a grant to Lakehead University; detection and examination of viruses in the drinking and bathing waters of the Ottawa River—that was the University of Ottawa; investigation of hazards associated with road oiling—something that Mr. Newman was interested in—carried out by L. S. Love and Associates Limited.

Another project is a study into the spread of encephalitis through birds and rodents, a University of Toronto study; the cleanup of radioactive contamination in Elliot Lake properties done in association with the Atomic Energy Control Board; the Reduction of chloroform content of drinking water, work we're doing with the Belleville Utilities Commission; and a cleanup of spill near Dowling, Ontario where we are working with that community. Those are the main items.

[10:30]

We have some ongoing projects as well that will come out of this year's budget: abandoned mines, environmental assessment of individual sites, dielectric fluid replacements for PCBs, Elliot Lake cleanup. I guess this is part of our contribution in comparison with the federal government.

Mr. Castel: That's right, it's 50 per cent of the cost.

Hon. Mr. Kerr: And there's chloroform removal demonstration as well. These, I guess, would be in addition to the nine that I mentioned to you.

Ms. Bryden: Mr. Chairman, I understand the principle of handing out lottery money is that it's to be used for things that would not otherwise be done. It seems to me quite a few items in this list are things the ministry or industry should have been paying for. I wonder if the people buying lottery tickets are aware of that.

For instance, in the cleanup of the spill at Dowling, Ontario, presumably the carrier, the railway and the truck that hit it, causing the spill, will be held responsible at some stage. I would hope that any money obtained from them should go back into the lottery allotment for general research. I would hope the ministry would pursue establishing the obligations of these companies to pay for the very serious costs of that spill.

The same is true of the lead contamination of soil. It seems to be the ministry is ducking out of trying to assign responsibility to the various companies that have been contaminating the soil and taking the easy route of charging it to the lottery fund so that instead of the polluter paying, it appears that the lottery ticket buyer pays. I think that until we establish the principle that it's the polluter who pays, we're not going to have very active work by companies to prevent pollution, to prevent that sort of situation that resulted in lead contamination.

The same is true of the inactive and abandoned mines. If you can't trace the owner, the public purse is going to have to pay for it—and it's undoubtedly worthwhile to get rid of these dangerous tailings that may contain substances that can get into the water supply. There are, I understand, still quite a lot of these properties owned by companies which may be inactive in the mining field but may have assets that could be used, companies that could be charged with some of the costs of this cleanup. I think the ministry should be pursuing very actively the question of whether the original

ner of these properties, or the person who left the dangerous material there, could be held responsible.

Hon. Mr. Kerr: Are you talking mainly about the CPR spill at Dowling?

Ms. Bryden: Yes.

Hon. Mr. Kerr: This was a situation where required the company to clean up. This matter went to court. The company appealed the order through the Environmental Appeal Board. The Environmental Appeal Board indicated, because there was some delay in requiring the company to clean up that the ministry would be responsible for part of the cost of that cleanup. I'm not exactly sure. Do you have the total amount of that one, John? Do you have our costs so far?

Mr. Giles: So far the total costs are in excess of \$200,000 of which we have indicated—because of the appeal board's decision—to pay one-half, so our share is in the order of just over \$100,000.

Ms. Bryden: If ultimately it is found that the railway company and/or the trucking company are responsible, will we not be expected to get 100 per cent from them?

Hon. Mr. Kerr: We'll try to recover as much as we can. However, if the company beats our direction in any way, of course, we have to be bound by the appeal board. There is some question of the negligence here. That was part of the consideration in the appeal board's ruling. Our policy is to collect from the polluter. However, the polluter has certain rights and certain remedies. If they choose to appeal under our legislation we have to be bound by the decision of that board.

Ms. Bryden: I was asking why this should be charged to the lottery—if the ministry says it had to move in quickly because of appeals and delays, and I think it did. I think there's evidence that the ministry did move nearly fast enough; after the spill, nothing dragged on for almost a year before actual, final cleanup was started.

Hon. Mr. Kerr: One of the reasons was that we were trying to get the company to move and also to assign responsibility.

Ms. Bryden: My colleague says a lot longer than a year. I didn't bring the details to me. When was the spill?

Mr. Laughren: The minister is being fast and loose here. First of all, there was a significantly longer delay than that. Also, the ministry was assessed costs because of its negligence. That may be putting it in harsh terms, but the ministry would not be

assuming any of the cost if the ministry had not been responsible. In view of the fact that the ministry didn't own the PCBs—the transformers that were spilled—didn't own the railroad; didn't own the truck; was in no way involved with the accident itself, then negligence must have occurred because of the lack of action on the part of the ministry.

Quite frankly, the ministry was guilty of not saying to the public what had happened. They decided in a very elitist fashion, as professionals and scientists are wont to do occasionally, that they knew what was best for the people in that community—namely, that they should not know that PCBs were spilled into the environment. It's as simple as that and I doubt if the minister would even contradict that.

Hon. Mr. Kerr: Oh, yes. I'll contradict that. There was no intention to hide the spill. The spill was well known in that area.

Mr. Laughren: No it wasn't.

Hon. Mr. Kerr: You don't have a spill and an accident of that kind in a community like Dowling and the people not be aware of it.

Mr. Laughren: You tell me when the people knew that PCBs were part of the spill.

Hon. Mr. Kerr: I don't know if any bulletin went out.

Mr. Laughren: No, well, I'll tell you. I hate to use the term because it's a bit defamatory—but there's no other way to describe it—there was a coverup on the part of your ministry to keep the fact that PCBs had been spilled into the groundwater. There's no other way of putting it, or you would not be assuming such a large portion of the costs. You are deemed to be partially guilty for the cost of the cleanup or you wouldn't have been assigned those \$100,000 costs.

Hon. Mr. Kerr: The main reason we were assigned the \$100,000 cost is because we relied on a certain amount of good grace on the part of the company. There was an initial cleanup by the company. It accepted its responsibility. As a result of our assessment of the area and the examination of those wells and the possibility that without further cleanup there could possibly be in the future some contamination of water supply, we required that more things be done. It was then that the company balked because it would amount to a substantial amount of money. They weren't completely satisfied in their minds that they should be responsible for the total cost.

Mr. Laughren: Do you know when the spill occurred? Was it 1973?

Hon. Mr. Kerr: About that time, yes.

Mr. Laughren: Just to set the record straight, Mr. Minister, I think the spill occurred in 1973 and it was not until one of the local councillors, Harry Parella, did some digging, some sleuthing, and found out that there was indeed something strange about that. This was at least two years later and maybe three years later. It wasn't until then that officials of your ministry admitted that there had been PCBs in that spill that had gone into the ground water. Certainly the company had done an initial cleanup. They had scooped off the surface soil into a pile, the contents of which then proceeded to leach down into the ground water. In no way was your ministry open with the people in that community. People had to do a lot of digging to get that information from your officials.

Hon. Mr. Kerr: Do you want to comment on that?

Mr. Giles: I think Mr. Laughren is correct in that the spill did occur in 1973 and CP Rail did make an initial cleanup. There was something in the area of 1,000 gallons of PCB material, which I think is the first time that we've had great experience in Ontario, or in any other state for that matter, with this type of material. We did test borings and continued to sample. It appeared to us at that time that the material was not going into the ground water supplies—

Mr. Laughren: Could you give us the dates of that?

Mr. Giles: In 1974 and 1975 it continued on right after the spill. These were continually monitored to determine if PCB concentrations were going vertically or horizontally insofar as water supplies were concerned. It was only in the most recent period of time—late 1976 and early 1977—that we felt, and the results showed, that there was a downward trend of PCB materials.

For that reason then, we had meetings with CP Rail to bring about more removal of the material. They balked at that, as the ministry has indicated, and for that reason we proceeded with the control order. This subsequently was appealed and we went through the appeal procedure, and on we go.

But I think the real point to be made is that initially and right after the spill—1974, 1975, 1976—it didn't appear that this material would move from the site. It wouldn't go downwards or horizontally. It was only in most recent monitoring that we found that this judgement, if you like, was in error.

Mr. Laughren: It's past now and the cleanup is proceeding; we've been through this before many times. But I do think one point needs to be made and that's that there were people who owned property in that community—I can think of one scientist in particular—who know as much about the problem of PCB as anybody in your ministry, I suspect. If the initial announcement had been made that a spill had occurred containing PCBs, there were people in that very community who could have alerted you to the dangers. They probably would have been even more aware than some people in your ministry. I don't say that in a derogatory way.

I think that there is a good argument to be made for disclosure to the public immediately. It wouldn't have caused a panic. There are people in that community who are responsible people and who could have said, "I've done some reading in scientific journals and these are some of the things you should be aware of that happen with PCBs"—and we all would have been better off. The PCB would not have leached down as far as they did; the cleanup would have been much less costly for both the company and perhaps there would be no charge at all to the taxpayers of Ontario. I hope there was a lesson learned there by the ministry that to be open is to serve us all better.

Hon. Mr. Kerr: As long as there's reasonable scientific reporting of the fact.

Mr. Laughren: Sure. Absolutely.

Hon. Mr. Kerr: PCB, as you know, is very sensitive type of contaminant these days and the way it's reported is very important. This is particularly so when you have a lot of unscientific opinion about the effects of this stuff, and there could be great panic in that little community.

Mr. Laughren: That's where you're wrong!

Hon. Mr. Kerr: There's no question about that. At least initially it would require some type of public meeting where it would be explained to them. That would help.

Mr. Laughren: Sure. It would have allayed a lot of fears, as a matter of fact.

Hon. Mr. Kerr: But initially it could cause a great deal of concern.

Ms. Bryden: Mr. Chairman, the ministry didn't answer my question about the inactive and abandoned mining properties, whether they were going to pay for it outright or whether they were looking for the owners of any properties to see if they would all pay [10:45]

Hon. Mr. Kerr: Our main policy in handling

abandoned mines and mine tailings areas, and cleanup of this kind, is to attempt to find the owner. If the owner is a company in good standing in the province we attempt to require it, as we did on the Moira River, to clean up disposal sites. We can issue an order against the company and require it to clean up and pay the costs.

However, we find it is like pulling hens' teeth sometimes. The company may not be in operation in Ontario. Although the corporate structure may exist, they are not active in any mining operations in the province. Rather than spend all kinds of money and time requiring them to do what they would do—because of the urgency to clean up these areas in many instances—we assigned lottery money to do just that.

Under the terms of the lottery funding, this is a health related environmental project and we are within its terms for projects of this kind. So we go ahead and do it. In many cases we have tried before to get the company to clean up. If the company denies that it is responsible or denies that it is leaching or denies that there is a contamination problem, then we are getting into our legislation and hearings and maybe even court actions.

So the purpose of this money—and I am sure the NDP must be just as interested as we are—is to make sure that these projects are cleaned up. If there is a hassle about who is responsible, that can be done in tandem or even after the project is completed. There is a health problem there. It could get worse if it deteriorates any more, and that is why we want to move in as fast as we can.

Ms. Bryden: I hope that in the future, we will have programs that require them, perhaps, to put up bonds as gravel pit operators go ahead of time, to remove any tailings and so on that are left when a mine is abandoned.

Hon. Mr. Kerr: I think the idea of a bond is good. They're operating a mine and if it's uranium, for example, there are bound to be problems regardless of how well that company operates, how good a corporate citizen it is and conscious about the possibility of contamination. There are bound to be problems. I would think a bond or surety of some kind would be a good idea in operations of this kind. I would think they would feel better about it as well, rather than having us chasing them after the fact all the time.

Ms. Bryden: I hope you'll take it to cabinet, Mr. Minister.

Mr. Lane: The things that I want to talk about will probably range over the entire note, but basically they concern some of the points Ms. Bryden raised and the minister has

talked about. One is cleaning up properties at Elliot Lake. I understand that your ministry is the lead ministry for the province in working with the Atomic Energy Board of Canada and other organizations to try to pin down the radon gas situation and how it came about and how we can get rid of it and what's safe and what's not safe.

We've had a great deal of irritation from the people in Elliot Lake because the building of housing for the private sector has been practically at a standstill in the past year due to the radon gas problem. Can you tell me at this point how far we are advanced in controlling this situation and how soon we can get on with the new townsites in Elliot Lake that have been planned over the years?

Hon. Mr. Kerr: As the hon. member indicates, there is a problem with a uranium vein in the town of Elliot Lake. Some of the new housing has been built over this vein and there is concern about radiation. When that happens, of course, you get an agency like Central Mortgage and Housing Corporation not willing to finance the cost of that housing. It involves the local municipality as well as AECB and the province.

We are hoping now that we can issue some type of—I wouldn't call it a certificate—but some type of letter to the effect that a particular house is safe, that the levels are below our standard and criteria. The letter would say, regarding other new houses, there is a way, mainly by way of installing a ventilating system in the house, that can greatly reduce the radiation levels—radon levels.

We are suggesting and Housing is suggesting that any new housing up there not have basements but instead have crawl spaces so that there won't be the accumulation in the basement. High levels always tend to exist there rather than on the first floor. We suggest a certain type of construction, all of which will help minimize the problem.

But what we are doing really is taking these new houses house by house and indicating whether or not they are fit to live in and what the conditions are. We are registering notices on title as to what readings we found there and what work, if any, has been done on that house. There are no more subdivisions being approved at the present time. There is a holdup as far as that goes. We've got to get areas outside of that area where there isn't this vein and develop housing there, maybe a few miles from the actual townsite.

Mr. Lane: I understand that apart from the vein that runs through the town, where some of the building was already going on and some houses had been built, that some of

the contamination was coming from fill that had been dumped in various areas where houses had been built over the years. There was also a rumour that there is seepage from either the vein or the dumpings into the area where the new townsite is planned. Do you know if that is the case or not?

Hon. Mr. Kerr: I am aware that hauling fill to some of the housing sites has been a problem. That has stopped now. Or if it is being done, it is checked and monitored to ensure that it is safe and clean fill brought from an area where there isn't a problem of radiation. That may be some distance from the housing site.

But we are able to control that. Our problem is the houses that are already built—making sure they are fit to live in. Another problem is that it is difficult to assess the radiation levels without a house there. You can get all kinds of readings on vacant land which may not be accurate. Usually they are lower than they might be if a house is built there. So that is a problem.

They've got to build the house, in many respects, before they can find out what the result will be. Our people, in particular the Atomic Energy Control Board, know how this vein exists, so at least in that area where there is a great deal of rock, housing is stopped or is being discouraged.

Mr. Lane: This is really not within your ministry, I assume, but if there is going to be a continuous delay in the building of housing in the areas that had already been planned to be built up areas, it seems to me we should be making this known to the public.

Consideration should be given to the recommendations that have been made to the town council suggesting you could go out to a gravel pit near the airport and build a site that would accommodate 300 or 400 mobile homes and, five years down the road, if the problem of housing within the town limit has been resolved, then you can turn this into an industrial park and your expenses for sewage, power and so forth are still required. Personally, I have been hoping we would go that route, but there seems to be a continuous delay because of the feelings expressed by the local council that we are going to be on our way quickly in building this new townsite. In discussion with you at this moment, it seems we're really not going ahead. There's still a hold on building.

Hon. Mr. Kerr: Yes, I think there's a natural inclination by the mayor and the council of Elliot Lake to try to have as much of this housing developed within the town boundaries as possible. They must realize

there is a problem within the town boundaries. The area you mentioned near the airport could very well be problem-free.

As you know, the Environmental Assessment Board has been holding hearings now for over a year in Elliot Lake. It has dealt with the mining companies; the problems with the increase in mining production—the tailings area. It's in its second phase dealing with the problem of housing within the town. The board has asked that the various ministries involved, as well as the town, find remedial measures in respect to existing housing. It has set conditions and directions as far as new housing is concerned—what has to be done.

We've got \$500,000 this year in our budget for cleanup of radioactive contamination; the contamination of properties in Elliot Lake. I guess this is about 50 per cent of what the feds are contributing. This is somewhat the same arrangement as the situation out in Uranium City in Saskatchewan. The board is a sort of a watchdog up there, as far as housing development is concerned. It's laid down some rather strict precedents and this is what's held up housing.

I'm sure our Minister of Housing (Mr. Rhodes) feels the same way. We're a little discouraged that those people who are involved in the development of housing, seem to be concentrating within the town limits with their problem. I realize that servicing is available there, and we've got more plans subject to the board, to expand servicing. It will be difficult to service an area outside the community such as you mentioned, but there is no reason, I wouldn't think, that septic systems or some other type of treatment facility couldn't be installed there. If it's a mobile village with proper trailer facilities and proper sanitary facilities—so that you don't have the problem there that you had back in the late 1950s and early 1960s of foul water and things like that—we could have a sort of semi-permanent type of community there until there is some final decision on the area within the town, which is a problem right now.

I've talked to the mayor. I've talked to the council. They don't want another shack city. They say that what's going on now will not be a boom and bust type of thing, that uranium will be in great demand for many years and that they want to build a nice permanent community. That's a bit of the dilemma we have right now.

[11:00]

Mr. Lane: I can appreciate their wanting to do that, but in the meantime we have people living in shacks and tents and what

have you, because there is no other accommodation in town, and according to what you're telling me there is not likely to be in the near future. I think this problem relates as much, or more, to the Ministry of Housing than to your ministry, except I understood you to be the leading ministry in trying to pinpoint this problem and provide the solutions for it.

On the abandoned mine situation, we have some in that area—Pronto Mine for one, and, as time goes on we'll have some in Elliot Lake. We've had a great deal of propaganda about where Eldorado Refinery should be. I understand that Port Granby, where they want to be, is a good farming area and certainly you're not very intrigued about having a dumping site in that area. It seems to me if we have to spend some money to take care of abandoned mines, they could very well be dumping grounds for the waste from an operation such as Eldorado. This really should be taken into consideration when they are locating or relocating the refinery.

We have a certain degree of radiation in the area because of the product that is being produced there. We have a certain cost to take care of these abandoned mines, and surely there couldn't be a better storage site for waste from this kind of plant than an abandoned mine. That's where the source of the material came from in the first place. Why not put it back in there and let it rest once and for all, at less cost than it would incur in an area such as Port Granby, a good farming area.

Hon. Mr. Kerr: Are you offering Port Granby? Are you offering that site?

Mr. Lane: I'm offering that site.

Hon. Mr. Kerr: There are an awful lot of us running around looking for a site right now.

Mr. Lane: It makes a lot of sense to me. We take uranium out of the ground; we have some waste material that has a long-term danger element and it seems to me it is best stored in the area where it originally came from in the proper type of containers that apparently are risk-free and with no additional cost for taking care of abandoned mines.

I've talked to practically every minister in the provincial cabinet and the answer has always been that this is essentially a federal problem because Eldorado is a federal corporation. It just seems to me that with the executive council of this province saying, "You can't have that property down there because it's good farm land, but you could have dumping areas in places like Eldorado where the abandoned mines are, or, as we

proceed with abandoned mines in the Elliot Lake area," it seems to make a lot of sense to me.

Hon. Mr. Kerr: You mentioned this is mainly under the federal government, the Ministry of Energy, Mines and Resources. They have a new legislation now, a nuclear control Act, that's just been tabled. They'll have a nuclear control board which will hold hearings, not only with regard to the construction for nuclear facilities, such as mine mill complexes, but also nuclear waste management facilities. I would think in an area like Port Granby that you're talking about, an abandoned mine site may be a very legitimate type of disposal area and would come before this new board for application, hearing and a decision.

Mr. Lane: I don't want to prolong the matter at this time, because I know there are other members who want to speak on other things. I agree that, as you have said, it's basically a federal problem. It seems to me that you and your colleagues in cabinet do have a handle on it if you simply sit tight and say, "You can't have good agricultural land for this purpose." This would be a reason to make them take a look at situations such as I'm suggesting.

Hon. Mr. Kerr: As you know, they're having the same type of problems we're having, with solid waste and liquid industrial waste, as far as locating disposal sites is concerned. One of the areas they were looking at was the Madoc area in Hastings county last spring and you get public reaction as soon as they hear that it's even being considered as a possible site. I think one of the concerns would be the use of good agricultural land, the same as we have to consider with the establishment of a waste disposal site. An area such as Port Granby, as you suggest, would be a logical area, assuming there aren't any ancillary problems as a result of using an abandoned mine.

Mr. Lane: About the only lever we have is saying, "Sorry fellows, but you just can't have good agricultural land. You'd better go somewhere such as Port Granby." That should be emphasized a little more by executive council.

Mr. Minister, several months back, you and your colleague, the Hon. John Rhodes visited with me in Serpent River. We were aware at that time that there was a fairly high level of pollution in the Serpent River and people were using it for drinking water. The one thing at that time I couldn't quite understand was why the federal government said it was quite safe at a level reading of 10 curies per million, while we were saying it was dan-

gerous if it was over three, and at that time I believe it was six. We put a water softener in the Serpent River and I'm just wondering what the reading is now and how successful that venture has been.

Mr. Gaunt: Have you and Frank Miller got that one sorted out?

Hon. Mr. Kerr: Our standard is still three pico-curies per litre. The federal standard is 10 or more, depending on the circumstances. We've found, for example, since we installed a water softening system in Serpent River, that the levels are below one for the most part. As far as radiation is concerned, that system—a very simple system—has solved the problem. As you know, there was a little private water system there, so it was easy to install water softening equipment, and improve and update some of the existing equipment. At a cost of say \$100,000 or \$125,000 rather than a couple of million, we were able to solve the drinking water problem in Serpent River.

Up the river, there's an Indian reserve under the responsibility of the federal government. **We have been able to, through persuasion, or because of the problems at Serpent River, at least convince the federal government at this stage, that they should accept our levels on that reserve.** We've tested, along with the federal government, many of the wells there and for the most part they have been safe and have been below three. At the same time, the problem of the differences in criteria has not been resolved. Our level of three—and I'll have somebody who's an expert on this—is based on total 24-hour exposure to this type of radiation.

If somebody's working in a mine for eight hours a day and then maybe drinking water during a certain number of hours a day and has a pretty continuous type of exposure, we feel the level should be three. For a child that's going to school that would be different, we can't quibble with 10. We're on the side of extra precaution and safety here and we're sticking to the three. Whether that will be resolved in the future, I don't know. Does anybody want to comment on that?

Mr. Mills: It will be resolved. There are ongoing discussions now with the federal authorities.

Mr. Lane: I can appreciate we are on the safe side and I think that's where we should stay, but I think there is a lot of confusion around the whole situation when one government is saying there is danger at one level and another government is saying there is a danger at another level. People don't

know where in the heck they're at, whether they're in a danger situation or whether they're not.

I would just hope that at some time in the very near future we could decide where the danger level is and come out with a figure that's at least agreed to by the two governments, so that the people are not unknowingly in this situation.

It seems to me that the Atomic Energy Control Board of Canada should be fully aware of the people who are exposed to the work place, to the breathing of the air, the drinking of the water and so forth. They should surely be considering the matter on a total basis rather than just on a drinking water basis; that shouldn't be too hard for them to understand.

I'm very pleased to hear that we're down to not too much expense in installing that softener and that it will serve for a reasonable period of time, I understand.

Hon. Mr. Kerr: The Culligan man came through. The Culligan man came through very well.

Mr. Lane: You mentioned that we installed this softener where a private water supplier had originally supplied the water to the residents from.

Going down the line just a little bit further, in Spanish we have about four different private sources supplying water to the various users. I understand that up until this point we haven't been able to offer any financial assistance to private water suppliers but I saw a release recently where you said that we now can do so. Am I misreading you someplace? Is there something happening?

Hon. Mr. Kerr: I might just add that rather than trying to assess the people in Serpent River, or the cost of this water softening system, we're going to be taking it over and charging rates for water in the normal manner. I believe we have the agreement of that little utility there to do just that. You're talking, John, about the septic systems in areas in small communities or where there is a problem in large communities—make note of that, Ned—like Hamilton.

Rather than getting into a very expensive communal sewage system with the plant and all the pipes, where there are intermediary problems with septic systems, where they have been condemned, for example, by the local MOH, or something like that—where we can spend maybe \$50,000 to \$100,000 cleaning up those systems and putting the town or the community back on a proper working order, we would do it that way.

We would clean up existing systems rather than spending in some cases, \$2 million or \$3 million, depending on the location of a community, a community that may only have 1,000 or 2,000 people.

As you know, also there is a long wait involved so that I have enough money in my budget to satisfy all these communities for projects of that kind. We'll now go in and assess the situation, deciding whether or not there is a problem with that system and what has to be done, and then we will pay 75 per cent of the cost. We will assume that the other 25 per cent will either be absorbed by the municipality or by the home owner.

[11:15]

That will mean that rather than getting involved, as I say, in an expensive communal system, particularly where the septic system is probably still in good working order, we will deal with individual cases in a community and help them either to install a new septic system or to correct problems in existing ones.

Mr. Lane: This doesn't just relate to the sewage, it relates to water—

Hon. Mr. Kerr: That's waterworks as well.

Mr. Lane: You and I visited people in Spanish last summer and met with officials of the north shore improvement district and other interested people at the time. We talked about a total sewage system down the road two or three years.

It seems to me in looking at the situation now, in the sparsely populated areas we have there and the fact we have four sources of water from private suppliers, that maybe the cheapest way for everybody would be to do the very thing we're talking about. It could happen fairly rapidly so we wouldn't have this situation where they have to boil their water and so on, and they wouldn't be stuck with something that was above their means to pay for.

Hon. Mr. Kerr: The only problem is, as you know much better than I do, there are some areas where because of rock and topography, septic systems won't work efficiently. Maybe even wells won't work, regardless of how—I was going to say well, but I'll say how good—a well is drilled. If there are problems in that area, particularly the Elliot Lake area, maybe a communal system is the only answer.

Certainly, now, with this new program, the first thing we'll look at in a community of that size is the idea of correcting a situation with septic systems, aerobic systems, or some private systems that can be installed

there, as well as avoiding a communal water system if individual wells are safe.

Mr. Lane: We now have a situation in Spanish where there's one practically never failing well that supplies several hundred people. The trouble is that it's been operated on a shoestring, and with the pressure on the water pipes and everything, it's falling apart. We have the source. We won't be labour it this time.

Hon. Mr. Kerr: To ease your concern, I think we're going to have to go in with a communal system as far as water is concerned in Spanish. I don't think there's any—

Mr. Lane: No change from our thinking then—

Hon. Mr. Kerr: No, not for water, not in respect to water.

Mr. Lane: Just one further question, Mr. Chairman. Are any of these things we're doing in Elliot Lake getting financial support from the Provincial lottery?

Hon. Mr. Kerr: There's a total of \$750,000 in respect to cleanup of radioactive contamination. There's \$500,000 and \$250,000 for next year. That's matching the federal contribution.

Mr. B. Newman: I want to ask a question of the minister concerning the \$2,500,000 that he has allocated from the Provincial lottery fund for environmental research.

I'm sure the minister is aware of a study conducted by the Essex County Lung Association that compared London with the city of Windsor. Taking into consideration the pollutants to which Windsor residents are subjected as a result of pollution essentially coming in from the American side, the conclusion of the report was that the Windsor residents were adversely affected. This was especially true of children who were compared with London children of the same age and family background.

The Essex County Lung Association did approach the Minister of Health (Mr. Timbrell) for funds to continue an in-depth study to see if their studies were on solid ground. I did ask the Minister of Health at one time if he was going to provide them with funds. I understand he has turned it over to you and funds would be forthcoming from your ministry, so that the lung association could continue with its studies and arrive at a definite conclusion as to the harmful effects of Detroit air on Windsor children compared with children living in the city of London. Are you going to provide them with funds to continue their studies or not?

Hon. Mr. Kerr: Yes. We have never had

a request from the Essex County Lung Association. I have heard from the Ministry of Health. Apparently there was a small pilot study carried out dealing with the pulmonary function and health status of children in the two cities of different air quality.

Mr. B. Newman: Right.

Hon. Mr. Kerr: They want to enlarge on that study. As you indicate, Health feels it's more in our bailiwick, because we really have the expertise in our ministry now. I've had a request from a gentleman by the name of David Cooke, MPP, suggesting that we be involved. I've had some letters from some citizens from the area. Based on those requests and that information, we wrote to the president of the Essex County Lung Association on November 8, pointing out the number of letters and requests we've had and asking them to get in touch with us and let us know exactly what they want to do.

Mr. B. Newman: So you never received a communication from Tom McFadden, executive director of the Essex County Lung Association?

Hon. Mr. Kerr: No, we don't seem to have that. Have you got a copy of a letter to me?

Mr. B. Newman: No, I don't have a copy of a letter for you, but I do have a letter from him indicating the study and the environmental effects of pollutants on Windsor residents.

Hon. Mr. Kerr: That's the type of thing that is right within the four squares of the lottery.

Mr. B. Newman: Right. That's good. So you will be providing them with funds, then?

Hon. Mr. Kerr: Yes.

Mr. B. Newman: May I ask you, Mr. Minister: If you foresee environmental hazards coming as a result of something taking place in a community, what responsibility have you or has your ministry to prevent those hazards from happening?

Hon. Mr. Kerr: I don't know whether I'm being led down the garden path here or not. You're talking about projects within the province of Ontario?

Mr. B. Newman: Yes. I'm not referring to what is coming from Detroit now when I ask that question.

Hon. Mr. Kerr: If it is a new project, whether it's a plant or a new type of activity, in many cases it would be subject to either the Environmental Protection Act or the Environmental Assessment Act.

Mr. B. Newman: If it were not subject

to them, would your ministry attempt to point out to the organization or company that is going to adversely affect a given area the dangers of its continuing with the project it contemplates?

Hon. Mr. Kerr: If there's an enlargement of an activity, whether it's a disposal site or a treatment facility of some kind, or anything like that, they have to get permission from us before they can spend a dollar on that project to enlarge it. They really have to have a licence from us.

Mr. B. Newman: Not necessarily do they have to have a licence from you.

Hon. Mr. Kerr: They have to get permission. Whether we do that, we confirm that permission—

Mr. B. Newman: How about a railroad?

Hon. Mr. Kerr: A railroad is a Crown corporation.

Mr. B. Newman: It is not necessarily a Crown corporation. There are private railroads. The CPR is not a Crown corporation.

Hon. Mr. Kerr: It's under the Railway Act, I believe. It's subject pretty well to the same regulations and restrictions.

Mr. B. Newman: Would you not assist citizens? I think you have a moral obligation when you see CPR doing something to a given area in a community that is adversely affecting the quality of life.

Hon. Mr. Kerr: If you're talking about, shall we say, a terminal of some kind, enlarging a freight yard, for example, there have to be certain permissions gained either locally or provincially or even federally for a change in status for that railroad.

If you're talking about noise, I would suppose this would include the enlargement of a shunting area, the laying of more track close to a residential area and matters of that kind. We would be involved with Environment Canada. Environment Canada as well as Transport would ask us for some comments, the same as we do now with airports. If there's a certain decibel level that may result from this enlargement and increased activity, we would have some input in that decision. In many cases there's a public hearing. We would be part of that public hearing. Before the plans are off the ground and before the work is completed, we would be involved.

Mr. B. Newman: You would only be involved if you were informed, though. Otherwise you wouldn't know. Not necessarily would Environment Canada inform you, would they?

Mr. Barr: Mr. Chairman, Mr. Newman, I assume you're talking about CPR siding in Memorial Park in Windsor.

Mr. B. Newman: That's right, and I'm about 750 feet away from it.

Hon. Mr. Kerr: You should buy a house in Toronto now. No problem.

Mr. B. Newman: You're not kidding, are you?

Mr. Gaunt: No, he's not.

Mr. Barr: We understand the Canadian Transport Commission has held at least two hearings and I've been advised there's one more to come, or it's under way, which is dealing just with the local reaction. We at the local level have not had any direct involvement at all. We've considered that this is matter between the CTC and the local residents.

Mr. B. Newman: Why wouldn't you be involved in the local level when the quality of life of people within a given range of the new facility is going to be adversely affected?

Mr. Barr: Other than, I guess, as the minister has indicated, there are certain things which are under federal jurisdiction rather than under provincial.

Mr. B. Newman: But you see, that comment really doesn't wash because the previous question I asked you was concerning contaminants from Detroit. You're providing funds to the Essex County Lung Association to conduct studies. Here you have an exact parallel. You have a federal emanation, or it's under federal control, the CPR, which is triple-tracking, putting two additional tracks in a fine residential section in the community, adversely affecting those on both sides of the track, adversely affecting a 59-acre park, adversely affecting a community centre and a recreational area, adversely affecting the health and in some conditions the safety of, I would say, maybe 7,000 or 8,000 people within 1,000 feet of the area. Surely your ministry would be involved or should be involved.

Mr. Barr: At this point, I might only say we haven't been involved.

Mr. B. Newman: Have you been approached by the citizens' organization, the South Walkerville, Remington Park Citizens Organization, for financial assistance to fight the CPR?

[11:30]

Hon. Mr. Kerr: Not that I am aware of.

Mr. B. Newman: Have not Wintario suggested to you that you look into the matter?

Mr. Barr: Possibly Mr. Manuel was asked—I assume the main concern is noise rather than—is this correct? Is noise the concern of the ratepayers?

Mr. B. Newman: Yes. It is not only noise in the area. Were your ministry to come down or have some of their Windsor officials go and visit the area and see how walls in homes are being cracked as a result of the operation of the CPR? If they used three tracks rather than two tracks, having refrigerated vehicles parked, having diesel engines parked out there, pouring out all of their fumes—

Hon. Mr. Kerr: What is the zoning there, Bernie?

Mr. B. Newman: They are on their own property. I am not saying they are not on their own property. But if I am on my property and if I wanted to cut a tree down in my backyard, I have got to go through all kinds of procedures before I can do that.

But here you have a big corporate giant that is a law unto itself, that completely disregards the health and safety of the people living in that vicinity by triple-tracking. The three tracks are there now, yet it was a decision of the CTC back in—I think it was April 1975 or 1976—that they are not to use the two additional tracks. The citizens, by the way, do not complain about the original track, because it was there long before they moved into the area. So they accept that.

It is a main line connecting the United States by the tunnel under the river to points in the east. They put in these two additional tracks and did use them for a while, but they put them in illegally without permission from the CTC. They are a law unto themselves. They just went right ahead and erected the two tracks. Your ministry did not hear of it. I would have assumed that surely your Windsor office would have been alerted to it and would have asked citizens how they could be of help to them. But they have apparently taken a hands-off approach.

I don't think that is right. Even though the CPR is under federal jurisdiction, it is still adversely affecting the residents within a given range of the railroad tracks. And the adverse effect comes as a result of additional traffic. The excuse the CPR always uses is that it is for business. It has to get that stuff from Detroit and parts of the United States, trans-ship it to the east and through to Buffalo, using our area as a shortcut. We don't disagree with them doing that, provided they use the single track only, but not the triple track.

Hon. Mr. Kerr: Bernie, the thing that

amazed me, the main point you made there was that—was it CRTC?

Mr. B. Newman: CTC. That is the Canadian Transport Commission.

Hon. Mr. Kerr: Right. A fellow by the name of Whelan or Gray or somebody was on that?

Mr. B. Newman: Oh, yes. All of the federal members are alerted to it. And most of the provincial members are alerted to it.

Hon. Mr. Kerr: But the railroad, in breach of an order from that commission, has gone ahead and done something—

Mr. B. Newman: Right.

Hon. Mr. Kerr: There must be some remedy to a situation like that. The commission must have some teeth.

Mr. B. Newman: There are hearings being conducted.

Hon. Mr. Kerr: Why doesn't the commission just issue an injunction and stop the railroad from doing that?

Mr. B. Newman: The two additional tracks are not in use now but CPR has reapplied to use them. They were thrown out in the first instance because they did not get permission to construct the tracks. They were illegal. Now they are asking for permission.

In my humble opinion, your ministry should join in with the residents in the area, provide them with legal assistance and/or the funds. The residents, in their fight against the CPR, have already indebted themselves to the extent of approximately \$50,000.

It is good that the city of Windsor is now going to assist them in the fight, but my main concern is the life and safety, the environmental effects, of the triple-tracking—and that individuals cannot get the full enjoyment of their own property. Some of the homes are, I would say, within 200 feet of the track. The new diesels don't pull only 50 or 75 cars behind them—they're monstrously long. I live approximately 750 to 1,000 feet away from the tracks and the windows in my home shake. Yet I have a barrier between the tracks and myself—that is Memorial Park, which is well treed. If it will have that kind of an effect on my home, just imagine those who are living within a stone's throw. There is a school located within 150 feet of the CPR tracks.

Surely your ministry has to be interested in the health and safety and the environmental effects of this new approach that the CPR is taking. Help the people in the area. You have Wintario funds. They have applied to Wintario for funding. Wintario, to the best of my knowledge, has referred this applica-

tion to the Ministry of Environment. I got that information on November 3, at 11:50 a.m., in talking with an official from the Wintario branch of the ministry.

Mr. Minister, help the people in the area in their fight for fairness, for justice, for an opportunity to live in a way they had always been able to live in the area up until the time CPR, without any concern at all for the residents, decided they owned the property and they would do with it as they saw fit. You have to have some responsibility in helping the people.

Hon. Mr. Kerr: I'm going to let Mr. Manuel comment on this, but I can see why it wouldn't qualify under Wintario. It doesn't seem to me to be either culture or recreation. However, I would think that certainly we would intervene at any hearing that would be held by CTC and point out the effect of that track on adjoining residents.

Mr. Manuel: In May of this year there was a joint symposium held between the Ministry of the Environment and Canadian Pacific Railway, particularly on these noise problems. At that symposium all the federal agencies involved were represented. A report concerning particular problems of the CP Rail Agincourt yard was the key issue at the time.

As a result of the work done there and continued pressure by this ministry on the CTC, particularly, on the Department of Transport, the Department of the Environment and all the other federal agencies, we have now a communication from the Canadian Transport Commission that they are considering imposing some regulations on noise. They're examining their jurisdiction to see what powers they have. They themselves are doubtful as to whether they have powers to control railway noise.

We've been very active in responding to complaints about railway noise and our views have certainly been made well known to the federal people.

Mr. B. Newman: Mr. Chairman, it is more than railway noise. If it were only railway noise, the citizens might be able—I'm not saying they would—but might be able to take care of it. But it goes beyond that—much beyond. Noise is only one of the factors that concerns them. The pollutants that emanate from a diesel engine that jockeys back and forth can't help but adversely affect individuals.

Hon. Mr. Kerr: Is that going on now?

Mr. B. Newman: The triple-tracking isn't, but the hearing is on in Windsor. I spent Monday and Tuesday listening to them.

Hon. Mr. Kerr: No, no, but the tracks are there now?

Mr. B. Newman: The tracks are there now.

Hon. Mr. Kerr: And you have diesels going back and forth now?

Mr. B. Newman: Not on those tracks. The diesels are only using the main line because CTC has forbidden them to use the other two tracks. In the hearing being conducted in the city now the CPR requests the use of those two additional tracks.

As I said earlier, the citizens make no complaint about the single track being used but they do strongly object to the other two additional tracks. When I first moved into that area almost 17 years ago, I could not see from my front porch to the railroad tracks because it was so heavily treed. As a result of the pollutants from either the new diesel engines that are used or from the old coal-burning engines, slowly and almost systematically trees have died out in the area. The weaker ones couldn't stand it.

The park itself is a big park. I think it's 59 acres but it's one of the last remaining stands of oak and another tree—I'm not familiar with the trees; I know there's oak and another type of tree in the city—it's the last big stand in the city and surely we would want to preserve that. We would likewise want to preserve the playground for children. We would want to preserve the community centre there. But who in the dickens is going to go there if you're going to have to use a gas mask almost to go there when the engines are going by?

In the first place, it was put up illegally and because of that, CTC prevented them from using the two additional tracks. But now the hearings are on and I would think the least your Windsor office could do would be to sit in on the hearings so that they could relay information to you.

I would strongly suggest to you that you either provide them with Wintario funds or see their applications for funding from Wintario and look favourably upon them. Suggest to the Minister of Culture and Recreation (Mr. Welch) that this being an environmental problem, it would fall within the guidelines of environmental research and the adverse effects of railroad tracks in a given area.

We wouldn't complain if there weren't other areas in the community to which the CPR could have moved this facility. We have a lot of facilities closer to the river that were essentially marshalling yards. But to build it because they own property between Howard Avenue and Walker Road, and because it is

their thinking that they can do just as they please, disregarding all of the concerns of the community—

The citizens are getting no support from anyone—they are fighting this on their own. It's only within the last two weeks that the city council decided to help financially by providing them with legal talent. They shouldered the burden themselves—\$50,000, approximately, or in that range. They are running their own lottery in an attempt to relieve the heavy financial burden on those in the area who have given of their time and effort.

Mr. Chairman, if you would sit in on one of these hearings and see the higher-than-heaven attitude that the CPR takes, that they're a law unto themselves, that they can do as they please, and the hell with the people in the area, this is just not acceptable in the twentieth century.

Mr. Minister, I hope I can get an undertaking from you here today that you will monitor this now and also when it is going to be held again in January. The hearings are still on but they are going to be postponed and will be held again in January to enable the citizens, through their legal counsel, to raise their objections to the hearings. The hearings right now are not being attended by the legal counsel because they are appealing to the Supreme Court for some type of ruling to prevent this from actually being heard. This is because no decision has been made on the part of the CTC as to whether CPR should be responsible for all of the legal expenses involved by the citizens in the area.

The citizens are only trying to protect what is there. The CPR comes in, does as it wants. If it fails this time, it will appeal next year to do the same thing. It will fail next year; it'll go the year after. It will continually carry on making appeal after appeal to have the two tracks used, because it knows the citizens can't afford financially to fight against it. It's going to take government to step in there and come along and assist. Are you going to help the people fight CPR through your Ministry of the Environment?

Hon. Mr. Kerr: As I said, Mr. Newman, and as Mr. Manuel has indicated, we will intervene at the hearing. We will have our people there pointing out the potential effects of that extra trackage. We'll have all the expert opinion that can be put together at a hearing of that nature. I can't make any commitment on Wintario funds at all. I don't think this specific hearing comes within the terms of our Provincial lottery fund, but certainly we will attend those hearings.

I think you indicated the CPR is appealing a decision that it should pay the costs of any—

Mr. B. Newman: No. The residents are appealing the decision.

Hon. Mr. Kerr: I see.

Mr. B. Newman: The residents, through their lawyers, are appealing the decision. The decision was rendered that they are not required to pay the costs for those who are attempting to fight CPR.

Hon. Mr. Kerr: In the meantime, I understand you to say that the city has indicated it will pay the legal costs.

Mr. B. Newman: The city is providing a lawyer to assist them. My concern is they've obligated themselves to a substantial amount of money—as I said earlier, to approximately \$50,000—that they do use the lawyers. Just as you are using Wintario funds to conduct studies on the environmental impact of the Detroit pollutants on the health of residents in the Windsor area compared with those living in London, I think you can find some way of assisting these people through Wintario. They have applied to Wintario.

We more than likely will lose a recreational area. We'll more than likely lose a treed park. We'll more than likely lose a community centre, simply because this giant is a law unto itself—so it thinks. Surely people should come before trains.

Hon. Mr. Kerr: I would think that if we were intervening we would have to do a certain amount of research to prepare an intervention and do a lot of sampling and experimentation in order to make a case against this expansion. This is something we can do on our own to assist the citizens.

Mr. B. Newman: Your samplings wouldn't be really as accurate, Mr. Minister.

Hon. Mr. Kerr: As accurate as what?

Mr. B. Newman: The track is a through track. It'll give you some information, yes. It is used a bit in some areas for shunting because the Chrysler factory is just across Walker Road from them. The trains occasionally come in 500 or 1,000 feet down the trackage. It's only 1.2 miles of trackage that we're referring to. The trains come in and do a bit of shunting. If they have the triple track used, then they're going to be shunting solely in there. In this way, they wouldn't interfere with either Walker Road crossing or Howard Avenue crossing. That's their purpose for wanting to use this. We've got to stop this, Mr. Minister.

Hon. Mr. Kerr: I think you and I should get together after these estimates. I've in-

dicated what we can do now. I've indicated what we can do as far as appearing at that hearing and carrying out the type of research that would have to be done for us to prepare a case based on environmental conditions. I can't make any commitment regarding any further assistance to the residents who are opposing this. Certainly, we can supply their solicitor with a great deal of technical assistance resulting from our findings and research. Whoever intervenes on our behalf can put his head together with the representative of the citizens. They certainly have my commitment that that can be done.

Mr. B. Newman: Could I just give you names of people who you can contact? As solicitors, Mr. Ian Fisher, Mr. Leon Paroian the two solicitors acting on behalf of the citizens. As individuals to contact, you could contact Dr. Henderson, Dr. Bricker and a Mr. Gerard who runs a florist shop. The five individuals I've mentioned are really those most involved and are extremely active. One of the individuals is liable to go bankrupt as a result of his deep involvement in this seeing an injustice, trying to fight against an injustice and not seeming to get anywhere.

They did get somewhere because the two additional tracks are not being used. But as I said, the CPR is appealing. They've filed a new application. If they lose this, Mr. Minister, they'll file another application. If they lose that, they'll file another application. The trackage only cost them \$500,000 to build. I'll bet you they'll spend more than \$500,000 fighting the people in the area.

It is unbelievable that a big company like that wouldn't look down the tracks both ways and find another place to build what they need. It is available in the area, but they insist on it. Come hell or high water, they're just going to do as they please, because maybe the CTC will not look on it in maybe the way you, Mr. Minister, and I look on it, as being a matter of the health, the safety, the quality of life for those living on both sides of the railroad track.

Hon. Mr. Kerr: I don't know if you have any faith in federal agencies, but I would think the CTC would look at all those ramifications. They'll be raised. That's the main basis of the objection, the things you've just mentioned. They have to consider those. I would think that the CTC, if it rejects the application of CPR, will give reasons why and also will give alternate suggestions to the railroad as to where these marshalling yards or extra trackage could be installed.

The CTC is set up by the citizens and

the government of Canada to protect the citizens. It's just not an application for a rate increase or an abandonment of the line. This is dealing with the effect of extra trackage on adjoining residents.

Mr. B. Newman: What you say is true concerning the CTC. But put yourself in the residents' position, having gone to hearing after hearing after hearing. As I mentioned, two of the individuals are medical doctors who are taking time off from their practice. Someone may not be receiving medical attention when he should or when he needs it because both of these doctors are so involved and so concerned, not concerned because they happen to live in the area and it's going to adversely affect their property—because they're probably in a financial position where they could move to another area—but they see an injustice and they're fighting an injustice.

When they go to these hearings and they see what, in their opinion, is the attitude of the CTC to their appeals, they sort of become sour. There were students from one of the schools in the community listening to the hearings on Monday morning of this week. They didn't want to sit in for the full length of the hearings because, in their opinion, justice was being thwarted by those who were conducting the hearings and were supposed to be independent.

Just think how we're bringing up a generation who come along and conclude from this type of hearing that there is a law for the rich and a law for the poor; there's a law that doesn't apply to the CPR, but that same law does apply to them. If they want to do something minor around their homes they can't do it, but CPR can do something major.

I hope, Mr. Minister, that your officials will really look at it. It is extremely important. CPR is going to fight this, and fight it to the end, because I think it has national implications. I understand that for the first time in the history of the CTC, residents were able to stop a railroad from using facilities that it constructed. Mind you, it constructed this extra trackage illegally, without an application. But there are trans-Canada implications in this and CPR are going to do their darnedest in an attempt to have their way. Help the residents get justice in this case.

Mr. Laughren: Mr. Chairman, I wanted to pick up on something my colleague from Algoma-Manitowlin (Mr. Lane) talked about, namely, the storage of nuclear waste. I'm worried about that and I wondered whether

or not the minister had any communications with the federal people on storage.

There was a story out about a week or so ago about the storage of the rods—the spent rods, I believe they're called—from the nuclear generating stations and the possibility of storing them in abandoned mine shafts in northern Ontario. I'm a very severe sceptic of the whole nuclear program, both for the extraction of the ore and the utilization of the resource for energy purposes. My immediate reaction was that that's the final indignity to northern Ontario—when you take out the resource, refine it, use it someplace else and ship back the waste. That's going full circle.

I wonder whether or not the minister's people have had any communications with the federal officials, AECL or the Ministry of Energy, Mines and Resources in Ottawa, to discuss this. I know that it was floated out as a trial balloon, I suspect, to get the reactions by people, by politicians and residents and, I suppose, the other levels of government as well. I wonder if the minister could respond and tell us how he feels about that.

Hon. Mr. Kerr: As you know, there has been a recent report from, I believe, Professor Hare, of the University of Toronto, regarding nuclear power and the disposal of nuclear waste. That report sets out a timetable for the establishment of a final site for the disposal of spent rods and radioactive material. Frankly, I thought he was a little slow in saying that they should start looking for these sites by 1980, or something. I think they should start looking for these sites immediately. I understand that will probably go on, in any event, because they anticipate local objection wherever a particular site may be designated.

With the new nuclear control Act and the fact that the federal government, unlike about a year or a year and a half ago, has, in fact, through the AECB, accepted the responsibility of establishing these sites, that point has been made.

[12:00]

Certainly, as in Eldorado, we will be involved in any hearings that will be set up to consider a proposal for a particular site. The site has to be safe from our point of view, as well as the point of view of Environment Canada or the AECB.

Hydro, of course, is involved. Hydro has a definite involvement here and I would think Ontario may well be sharing the cost of this disposal and the establishment of these sites. The point has been recognized

now that there is this problem and that there has to be a long-term plan to deal with it.

Up until just very recently, as you know, the spent rods were stored within the plant. There didn't seem to be any post-plant storage plans set out or decided on by any agency. I think the problems at Port Hope, the indication of citizen concern, the reaction at Madoc this spring—all of those things, of course, were the cause of setting up the Hare study and now we have that report. It recommends that at least two sites be established in Ontario. The thing to do now is to get on with looking for those sites, establish them, and establish some criteria for the type of operation, or control, of those sites.

Everybody, I think is concerned about the disposal of radioactive waste and its proper management in Ontario. I think we should be encouraged about the fact that there are some plans in sight.

Mr. Laughren: I'm not particularly encouraged. What's bothering me is that the people responsible for protecting people in the environment from nuclear waste, are the same people who are committed to the development of the nuclear industry. Some of my colleagues would say that's like putting Colonel Sanders in charge of the chicken coop.

In this situation you're not going to have the proper kind of protection, and the minister himself is indicating that he is in that camp as well, even though he is the Minister of the Environment. I'm very concerned about that because, whether we want to accept it or not, there is an alternative view out there in the scientific community about the whole development of nuclear energy. It seems that the people who have their hands on the reins of power are all committed to the development of nuclear and I think that does not bode well for us.

Hon. Mr. Kerr: I think this new nuclear control board being established through this new nuclear control Act that I mentioned, apparently has just been given first reading by Mr. Gillespie. It will separate the control and the management of radioactive waste from the AECB and from the ministry.

Mr. Laughren: Yes, but he is the Minister of Energy, Mines and Resources, is he not?

Hon. Mr. Kerr: Yes.

Mr. Laughren: Well, that's what I mean.

Hon. Mr. Kerr: According to this, the board will report "to Parliament, through the Minister of State for Science and Tech-

nology." I'm not sure who that is right now. So there is a separation of those two ministries as well, it would appear.

Mr. Laughren: Could you respond more specifically to the possibility of storage of the rods and waste in abandoned mines in the north?

Hon. Mr. Kerr: That was raised by Mr. Lane.

Mr. Laughren: Yes, but he's not the minister.

Hon. Mr. Kerr: No, and I would assume that you're indicating some concern for that type of disposal.

Mr. Laughren: Yes. Very much so.

Hon. Mr. Kerr: As I said in reply to Mr. Lane's remarks, it is somewhat similar to the idea of solid waste in abandoned quarries. You have got to have a hearing. You are still going to have people who are going to object to that sort of thing. It has to be established that it is environmentally safe in every way, and that the facilities are available to whatever agency is controlling this.

Mr. Laughren: Now come on. You are skirting the issue, Mr. Minister.

Mr. Lane: Mr. Chairman, a point of privilege. If Mr. Laughren is indicating that I said abandoned mines in northern Ontario should be a dumping ground for refineries in southern Ontario, his hearing is not very good.

I said Eldorado Refinery should be located in that area and, as a result, we should be dumping that waste in the abandoned mines. If any area in this province is going to have the benefit of a refinery, it should also be saddled with the responsibility of finding a waste disposal site within that area that benefits from having the refinery there. At no time did I indicate we become a dumping ground for the refineries in southern Ontario. I want that very clear.

Mr. Laughren: I have no quarrel with that. What I am trying to extract from the minister is, does he really feel there is safe disposal of nuclear wastes, whether it is in rods or whatever, underground? Even if you encase it in cement or in lead, do you really think—given the life span of the potential danger—that that is the solution?

Hon. Mr. Kerr: I understand the proposal—and I think that was in the Hare report—is talking about looking for sites. They talked about those sites being land that is owned by the Crown.

Mr. Laughren: It would not be in a mine site, then.

Hon. Mr. Kerr: No, not necessarily. And another thing is the disposal site, I believe, at Chalk River. That is basically a landfill site. Certainly the radioactive material can't be disposed of the same way as solid waste; it would have to be encased in something, whether it is cement or otherwise. There would have to be certainly some cover, permanent cover. So whether it sits on a landfill site as garbage does now, or sits on top or underground, we leave that to the experts. That type of thing would have to be dealt with at a hearing and the solution would have to be decided by the experts at a hearing.

Mr. Laughren: I will tell you something. I have heard the experts from Ontario Hydro. The experts on the disposal of nuclear waste for Ontario Hydro are experts committed to the development of nuclear energy. I don't know, personally—this may sound idealistic to you—how many signs or warnings Mother Nature has to give us about uranium.

The very extraction of it has been proved dangerous. There is the possibility of weapons—not the possibility, the reality of nuclear weapons. There is the whole problem of leakage at a nuclear energy site. There is the disposal of the waste. Every step in the development of nuclear energy has been fraught with warnings. There have been warnings all through the system.

We end up with the people who are committed to the whole process providing the safeguards. That worries me a great deal. I wish this minister felt somewhat differently than he does because I think there needs to be a very strong countervailing force to react to the whole nuclear lobby. Make no mistake about it; that is what it is. It is a nuclear lobby. It is unfortunate that even the Minister of the Environment is, it would appear, part of that lobby.

Hon. Mr. Kerr: Just to clarify that point, Mr. Chairman, there is a difference between a nuclear generating station, nuclear power, and the disposal of nuclear waste.

Mr. Laughren: Radiation is a common element.

Hon. Mr. Kerr: There is no difference in opinion, as far as I am concerned, about the necessity of having proper, safe methods for the disposal of radioactive material. There is no compromise on that fact in any way, shape or form.

The activities of the Ministry of the Environment with the AECB in respect to Port Hope, Eldorado and Elliot Lake are well known. We moved into Elliot Lake when we had some question of our jurisdiction in that area, constitutional or otherwise. We finally

fought that battle with the Ministry of Energy, Mines and Resources. So we are up there and we intend to stay. One of the reasons for the new nuclear control Act is the consultation between our respective ministries—between the province, the federal government and Atomic Energy Control Board.

The federal government, by introducing this legislation, has accepted the responsibility, its responsibility that it has and always has had for the safe disposal of nuclear waste; because it has the main responsibility for the development of nuclear energy.

Under this new Act, the nuclear control board will be a strong independent agency with a clear responsibility for health, safety, security and environmental concerns relating to nuclear energy. The actual mention of the board's responsibility for health and environment in the nuclear context is one of the significant differences between the new legislation and the current Atomic Energy Control Act.

So it is there. The whole procedure is set out regarding mandatory public hearings, in respect to not only the building of heavy-water plants but new nuclear waste management facilities. So I am much more reassured now that there have been some decisions made; there has been a report which sets a timetable and now it is just a matter of finding those sites.

Mr. Laughren: I will move on from that point. My concern is that as long as you have that overwhelming commitment by the various levels and agencies of the government to nuclear energy, the alternative sources of energy will not be developed. That is my major concern—that we end up being locked into something which I think has great dangers for us.

Hon. Mr. Kerr: As you know, the Porter commission is dealing with that very subject.

Mr. Laughren: Yes. The other thing I would like to talk briefly about, Mr. Chairman, is something else that my colleague for Algoma-Manitoulin talked about—and the minister responded in a surprising way. It was to do with the provision of sewer and water to small communities. The riding I represent has many small communities with 200, 300, 400, 500 to 800 people but no municipal organization. In the past, they have been denied any kind of provincial subsidy for the provision of sewer and water services.

It's only within the last month that I've been in touch with officials of various levels of government to try to get some water supply into a small community called Sultan, between Chapleau and Sudbury. There are

about 500 or 600 people in that community. I'm told, no. There's nothing available for someone in that community who has no water.

Hon. Mr. Kerr: What's the name of the place?

Mr. Laughren: Sultan. S-u-l-t-a-n. Nothing available at all. How can you say in one breath that there's assistance up to 75 per cent available when the next moment we can't find any assistance anywhere?

Maybe we made the mistake of working through the Ministry of Northern Affairs, more affectionately known as the albatross of the north. Maybe that's where we made our mistake. We were led to believe that that was the kind of thing—

Mr. Conway: Ungrateful wretch.

Mr. Laughren: —for which the Ministry of Northern Affairs was developed. Even the member for Algoma-Manitoulin is embarrassed by that ministry.

Mr. Conway: They're getting more money for Minaki.

Mr. Laughren: I think, Mr. Minister, that you have been unfair to the communities up there.

Hon. Mr. Kerr: We spent more money in the Sudbury area than any other single area.

Mr. Laughren: I'm not talking about the city of Sudbury.

Hon. Mr. Kerr: No. I didn't say the city of Sudbury. I said the Sudbury area.

Mr. Laughren: And God only knows, if money ever needed to be spent for environmental purposes it's in the Sudbury area.

Hon. Mr. Kerr: Maybe Martel's getting all the money. I don't know. It's certainly going up there.

Mr. Laughren: That's not obvious. Maybe you'd better check out who it's going to.

Hon. Mr. Kerr: Some went into the nickel belt in the last year. I think we had a million dollars at least in the nickel belt—in the area of Rayside-Balfour.

[12:15]

Mr. Laughren: Yes. The fact that people in a community of 10,000 were melting snow in the wintertime for water is an indication that you weren't doing us any favour. It was long overdue. As a matter of fact, within half a mile from where I live there are still people who haul water on the back of a pickup truck with a large tank and have a storage tank in their backyard. That's still going on. You show me a community in southern Ontario where that's happening.

Mr. G. I. Miller: Right down near me.

Mr. Laughren: Where they're hauling water on the back of a truck?

Mr. G. I. Miller: Just like we do it.

Mr. Laughren: You don't have as much snow in the wintertime for a water supply.

What's happening to your policy if we can't get subsidized water supply when you tell us it is available?

Hon. Mr. Kerr: Sultan is part of an unorganized territory, as the hon. member knows.

Mr. Laughren: Unorganized, yes.

Hon. Mr. Kerr: Our new policy will apply to that. The new policy for assisting on septic systems or wells will apply to unorganized territories.

Mr. Laughren: Has it started yet?

Hon. Mr. Kerr: Yes. It's just a matter of doing it by way of application. The announcement's been made. We have money in our budget. It's just a matter of these municipalities applying.

Mr. Laughren: There's no municipality.

Hon. Mr. Kerr: I'm sorry. The community.

Mr. Laughren: Can an individual apply?

Hon. Mr. Kerr: No, no. I don't think so.

Mr. Laughren: Who applies, then?

Hon. Mr. Kerr: You have a place called Sultan.

Mr. Laughren: I'm just using that as an example. I could name you others: Gogama, Foleyet.

Hon. Mr. Kerr: Is there any type of management or trusteeship or government officialdom of any kind involved in Sultan?

Mr. Laughren: No. There's a Natural Resources outlet there, but I think there are only one or two people there now.

Hon. Mr. Kerr: Is there a citizens' organization?

Mr. Laughren: Yes, but they've applied. They've been that route, too.

Hon. Mr. Kerr: Without getting into the details of it, I'm telling you that unorganized territories can apply. For example, when you have a number of septic systems that have been condemned by the local medical officer of health or somebody in the health area, depending on what exists in the unorganized territory—

Mr. Laughren: There are nitrates in the water supply in Sultan.

I think you've somehow set up a road-block there. I suspect it's not intentional. In those places you can't always have that neat

little organization you'd like to work through that makes it much more appropriate. I understand that. It seems to me you have to accept the fact that in some of those communities you're not going to have those kinds of organizations. The people should be able to apply individually. Could you tell me what you're planning?

Hon. Mr. Kerr: This is something new, where there may be one case, one individual or maybe a handful of individuals without any municipal structure. We can't see any problem in those people applying to us or applying through Northern Affairs, whichever they wish to do. Northern Affairs will have a certain amount of money for water and sewer in its budget. I can't see any problem in individuals applying for assistance under this new program.

Mr. Laughren: If they apply through Northern Affairs, doesn't it get channeled back to you?

Hon. Mr. Kerr: Yes.

Mr. Laughren: It really comes out of your budget, not Northern Affairs?

Hon. Mr. Kerr: Yes. Northern Affairs will have a certain amount of money in its budget next year for servicing and we will direct that servicing. Where it goes is a result of our programming. There's money earmarked for that area north of the French River, the 50th parallel, or some area of that nature, there is extraordinary money for that part of the province. I wouldn't think, frankly, that, at this point anyway, Northern Affairs would be very heavily involved in this new program of septic systems and water, but I can't see any problem in individuals applying.

Mr. Laughren: Okay. Obviously we made the mistake of going through Northern Affairs. I should have known better. We will redirect the whole thing to you.

It would not be appropriate to go through the Ministry of Environment estimates without discussing Inco and the problems it gives us in the Sudbury basin.

I raised in the Legislature on Tuesday the question of the negotiations that are going on between your ministry—the federal government, I believe, is involved as well—and Inco on its stack emissions. I was rather taken aback by the stupid response of the Minister of Agriculture and Food (Mr. Newman). It was Pavlovian in nature; he didn't know what he was talking about when he commented. Maybe I should expect that from a minister who installs a community tap in the town of Gogama instead of providing it with a water supply.

Perhaps I should re-emphasize to the minister the point I'm trying to make, so that he doesn't fall into the same trap that the Minister of Agriculture and Food did. I was trying to say that we know that negotiations are going on between the ministry and Inco. We know, as well, that there's a problem with layoffs in the Sudbury basin. We know, as well, that Inco is fully capable of saying to the Ministry of the Environment, "If you force us to lower our emissions to the level which you have indicated, namely, 750 tons a day by January 1, 1979, that will require us to reduce our production levels and cause more layoffs."

I'm fully aware, and you are aware, that Inco is capable of doing that. What I'm saying to you is: Can you assure us, and do you have the technical knowledge and access to the expertise to assure, that Inco does not bluff you in this game of controlling emissions in the Sudbury basin? I'm very worried about that. I know it is capable of doing it. I'm worried about whether or not you're capable of resisting and detecting when it's a bluff and when the technology simply is not available.

Hon. Mr. Kerr: I think we probably have just as much technical expertise as Inco, as far as air emissions are concerned. As I indicated to you in my answer to your question, there is no way that company, even if it started now to install equipment to reduce, for example, its SO₂ emissions, can meet the criterion of 750 tons per day as of December 31, 1978.

Mr. Laughren: Nineteen seventy-nine.

Hon. Mr. Kerr: No, 1978. It's January 1, 1979. We use that date as well. It's just impossible. I really don't know how that figure was arrived at, I guess back about 1970. In any event, we are going to have to work out a figure for that date within the early months of next year. We have been waiting for the Sudbury environmental study, which involves a number of agencies as well as ours dealing with emissions from Inco. We pretty well have preliminary information on that report, enough to assist us in arriving at a criterion with the company.

There's no question about it, the proposed layoff will confuse everything. It'll make it that much more difficult. For example, I believe the tonnage right now is around 3,000 per day, that is, when it's at full capacity. What it will drop to in the next few months as a result of layoffs, I'm not sure. We usually need the operating facility to arrive at some criteria. However, we've made enough of a study and given enough

consideration to a new program for Inco which will include the end-of-December date that we can get it in a new five-year program.

All during the debate and discussions and announcements and everything else connected with this Inco layoff which we've heard for the last month or two, there has never been mention of any environmental requirements or control orders or restrictions having anything to do with this decision. So I'm assuming that the company will not raise that as a negotiating point in our discussions regarding this future control order.

Mr. Laughren: I'm glad to hear you say that. I'd be interested in knowing, as you would, how that figure of 750 tons a day was arrived at six or seven years ago. There must be people in your ministry who negotiated that figure and said it was possible. It surely wasn't pulled out of the air. You have scientific people and you say yourself that you have as much expertise as Inco and yet you imposed that figure in the control order.

Mr. Drowley: I must admit, Mr. Laughren, that how it was arrived at is lost in my memory right now.

Mr. Laughren: I'm glad that you keep records and we don't have to rely solely on your memory, anyway.

Mr. Drowley: So am I. I can get that for you tomorrow but right now I couldn't recall all the details. Part of it was arrived at with ground level concentrations from the existing stack. I think you will recall that when the order was first issued, they were told they had to come up with an interim measure to relieve it and that's when the mammoth stack was put up. The stack was definitely considered an interim measure at that time.

Mr. Laughren: So you're implying there is a different process of smelting than perhaps was built into the order, than was implied in the order. Is that what you're saying?

Mr. Drowley: We felt they would have to make some process changes to meet it, yes.

Mr. Laughren: So, if that's the case, presumably those changes are possible.

Mr. Drowley: I imagine they could still be possible. I haven't been involved in it since 1970.

Mr. Laughren: You're not involved in the negotiations now?

Mr. Drowley: No, I'm not.

Hon. Mr. Kerr: Who is now?

Mr. Drowley: John is.

Mr. Laughren: It's amazing that you would not have the people who were crucial to the initial control order involved in amending that control order.

Hon. Mr. Kerr: There was some reorganization within the ministry.

Mr. Laughren: Yes, I know.

Hon. Mr. Kerr: We have a regional office now, as you know. Much of the negotiating of this new control order is done right in Sudbury with our regional people, subject to Mr. Barr's and head office's approval.

Mr. Barr: Maybe I can add to what Mr. Drowley has indicated, that the 750 tons per day is achievable. Whether it is needed is another question. It can be achieved by changing the smelting process. It can be achieved by construction of further acid plants, which they already operate. This has some dependence, of course, on the acid market.

What we're looking at now, based on our Sudbury environmental study data, which we have had for a number of years and has another three years to go, is what we call a change in rationale. It's based, again, as Mr. Drowley has indicated, on ground-level concentrations rather than on emission limits. This is in accordance with the federal regulations dealing with secondary smelters. It doesn't base itself entirely on emissions; it bases it really on what happens on the ground.

Mr. Laughren: That's what the tonnage is based on as well, isn't it?

Mr. Barr: To a degree, that's right. It is a different technical rationale. We think it has more impact on what really is needed rather than just saying, "Don't put anything more up the stack." In other words, we're not just saying, "Limit the emissions to essentially zero at some times"; they have done this when they have had meteorological conditions which have been adverse; they have done this through cutbacks in production.

With some changes in their process, with some new pollution control equipment within the plant, and with a new rationale which will measure ground-level concentrations a little more accurately—we feel this will be the requirement and this will be drafted in what we're going to call "a new control order" rather than continuing on with the former rationale established back in the early seventies or 1973 when the amending control order was issued.

Mr. Laughren: Could you explain a little

further what you meant by you "don't know if it's needed"? I don't know what that term means.

[12:30]

Mr. Barr: When the original order was drafted using 750 tons, I think, this was considered to be, as I said earlier, achievable by changing the smelting process. I think you have alluded to that as well. It is also achievable by construction of acid facilities.

Hon. Mr. Kerr: And also a market, I guess, for sulphuric acid.

Mr. Barr: Right. I think at that time, this was the direction in which Inco was going. This, of course, has changed in the most recent years. Again, we didn't have the data at that time, back in the early seventies, to really assess what was needed. We just knew that we had to come from something like 3,000 or 7,000 tons per day down to something else which would be less. So I think

the 750 tons is rather an arbitrary figure; at least that's what I look upon it as being.

At that time it seemed realistic, but in present-day times, with the data we have, and based on a continuous amount of sampling, particularly at the ground level, we have found the emission limit, whatever the number might be, is not really representative of what's required to protect people and vegetation. This is why we feel the ground level of concentration, which is a little more measurable indicator still requires abatement facilities within Inco, is a more realistic measurement of what emission levels mean, not just more achievable.

Mr. Laughren: I know, Mr. Chairman, that we have reached the adjournment time and I would like to pursue it a little further at the next meeting, if I might.

Mr. Chairman: The committee will meet tomorrow morning after the question period.

The committee adjourned at 12:32.

CONTENTS

Thursday, December 1, 1977

Ministry Administration Program	R-1005
Analysis Research and Planning	R-1005
Legal Services	R-1005
Experience '77	R-1007
Environmental Assessment and Planning Program	R-1008
Program Administration	R-1008
Adjournment	R-1027

SPEAKERS IN THIS ISSUE

Bryden, M. (Beaches-Woodbine NDP)
 Conway, S. (Renfrew North L)
 Gaunt, M. (Huron-Bruce L)
 Kerr, Hon. G. A.; Minister of the Environment (Burlington South PC)
 Lane, J. (Algoma-Manitoulin PC)
 Laughren, F. (Nickel Belt NDP)
 McNeil, R. K.; Acting Chairman (Elgin PC)
 Miller, G. I. (Haldimand-Norfolk L)
 Newman, B. (Windsor-Walkerville L)

Ministry of the Environment officials taking part:

Barr, J. R., Assistant Deputy Minister, Regional Operations and Laboratories Division
 Castel, A., Director, Program Planning and Evaluation Branch
 Drowley, W. B., Executive Director, Resources Division
 Giles, J. W., Assistant Deputy Minister, Environmental Assessment and Planning
 Higham, G. E., Executive Director, Finance and Administration Division
 Mills, G. H., Director, Water Resources Branch
 Mulvaney, J. N., Director, Legal Services Branch



Legislature of Ontario Debates

Official Report (Hansard) Daily Edition

Social Development Committee

Estimates, Ministry of the Environment



First Session, 31st Parliament

Friday, December 2, 1977

Speaker: Honourable John E. Stokes

Clerk: Roderick Lewis, QC

CONTENTS

A list of the speakers taking part in the debates in this issue of Hansard appears, in alphabetical order, at the back of this issue.

Daily contents of proceedings also appears at the back of this issue. Reference to cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff. Phone 965-2159.

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LEGISLATURE OF ONTARIO

FRIDAY, DECEMBER 2, 1977

The committee met at 11:30 a.m.

ESTIMATES, MINISTRY OF THE ENVIRONMENT (continued)

Mr. Acting Chairman: In the absence of the chairman and vice-chairman, I have been asked to chair the meeting today, if it meets with the committee's approval.

Hon. Mr. Kerr: Oh, it's bound to.

An hon. member: Absolutely.

Mr. Gaunt: As one from western Ontario, I would be happy to support that nomination.

Mr. Acting Chairman: Thank you very much.

Mr. Laughren: Are we carrying on with the speakers' list? I was in the middle of something last day.

Mr. Acting Chairman: I have you on the list as the speaker. Is that correct?

Mr. Laughren: Yes, that is correct.

Mr. Acting Chairman: We are on vote 2002, item 1. Are you referring to Sudbury?

Mr. Wildman: Nickel Belt; it covers a large area.

Mr. Laughren: It had to do with emissions.

Mr. Acting Chairman: Would that come under item 2?

Mr. Laughren: We are already halfway through it; so, with your permission, Mr. Chairman, if the minister agrees, we could complete that.

Mr. Acting Chairman: Item 1?

Mr. Laughren: Yes, item 1—the one we are on now.

Mr. Acting Chairman: I have Mr. Laughren for first speaker. Is there anybody else?

Mr. Laughren: Wait a minute now.

Mr. Acting Chairman: I'd like to line up the speakers.

Mr. Wildman: Mr. Gaunt is after Mr. Laughren.

Mr. Acting Chairman: Right.

Mr. Haggerty: I want to talk on item 4.

Mr. Acting Chairman: We'll leave that until item 4.

Ms. Bryden: I have a question on procedure, Mr. Chairman. There is a big supplementary estimate for the vote we are on now. Will we deal with that in conjunction with this estimate or will we deal with it later?

Hon. Mr. Kerr: I think we will deal with that at the end. That was our plan. Is that all right?

Mr. Acting Chairman: Is that all right with the committee?

Ms. Bryden: As long as we do have some time for it. Can we reserve some time for it?

Mr. Wildman: If we don't have time for it, it won't be passed.

Ms. Bryden: If it comes up when there is no time left, we won't be able to discuss it.

Mr. Acting Chairman: All right. We will start with Mr. Laughren.

On vote 2002, environmental assessment and planning program; item 1, program administration:

Mr. Laughren: Mr. Chairman, before I continue with what I was talking about before, I want to correct the minister on something, or perhaps he could correct me. We talked at some length the other day about providing assistance to individuals in unorganized communities who didn't have any water supply. This morning my office phoned the chief water well inspector in his ministry's water resources branch, a gentleman named Mr. McClenaghan. He says there is no assistance whatsoever for individuals living in unorganized communities seeking water supply.

I am not surprised now that I had so much trouble before, since the minister is saying one thing and his people seem unaware of what he is saying. I am not blaming Mr. McClenaghan. If there is not a policy handed down to the staff, then perhaps something needs to be changed.

There is an important principle involved. I thought Mr. Lane from Algoma-Manitoulin and I were quite specific in what we said to the minister, and that he was quite specific in his response. I wonder if he could clarify this before any of us start wasting a lot of time ourselves and that of his officials in pursuing this.

Mr. Wildman: Right. I want to ask some questions on it too.

Hon. Mr. Kerr: I didn't want to mislead anybody. This program, as I said before, would apply to unorganized territories.

If a group of people, for example, have a well, and there is something the matter with the well, whether it is contamination or lack of water or things of that nature, we will assist those people in repairing septic systems if that is the problem, or in some way repairing the well system so that it is satisfactory.

If it is only one individual having a problem with a well, we don't have a program to cover that. In that instance, the individual would be responsible for the digging and financing of providing water for his home.

But if it involves a resident group of people within a small area—and Gogama might be a good example of that—we will assist in providing a water supply for that area.

Mr. Laughren: I am sure you did not mislead us intentionally the other day, but the effect of what you said was to mislead us in thinking there was such a program. I regret your decision because I don't see the logic of what you're saying. If it's to apply to unorganized communities, which means there is no organization, it shouldn't matter whether it's the town or the individuals. That makes no sense to me whatsoever. I think it's a bad policy and I hope you will reconsider it.

Mr. Wildman: Can I ask a supplementary on that?

Hon. Mr. Kerr: If you think for a minute what a policy of assisting individuals to provide water to their homes would entail, I think you would realize what this would mean across the province; we couldn't apply it only to one particular area of the province. Up until now most people were responsible for digging their own wells and providing a supply of water to their homes.

Mr. Laughren: Unless you are in an organized community.

Hon. Mr. Kerr: Unless what?

Mr. Laughren: Unless you are in an organized community; then you get a 75 per cent subsidy.

Hon. Mr. Kerr: No, no. There is no difference.

Mr. Laughren: I know what you are saying—

Hon. Mr. Kerr: The point I'm trying to make here; there's no difference in this program between organized and unorganized communities. None whatsoever. I can read from our fact sheet, which says who qualifies for the program: "Small municipalities, resident groups and unorganized communities where ground conditions are satisfactory;

where growth and the need for communal facilities is not a first importance." Basically, those are the criteria for qualification.

Mr. Laughren: I don't want to pursue it any further, but I would point out one difference to you: namely that organized communities do have the potential for communal supply, which was subsidized up to 75 per cent. Unorganized communities don't have that potential because of the numbers and the cost involved. That's the point I would like to make.

Mr. Wildman: Can I ask a supplementary before you go on? What relationship if any, does your ministry have with the Ministry of Northern Affairs, in providing water for unorganized communities?

In my riding, in a place called Wharnccliffe, the Ministry of Northern Affairs has committed some funds for providing another communal tap. Were you involved in any way with that? Are you involved with the Ministry of Northern Affairs in those kinds of programs or is that something completely separate?

Hon. Mr. Kerr: The Ministry of Northern Affairs has a certain amount of money in its budget for sewer and water projects. That ministry lists priorities, as far as it's concerned, for projects of that kind in the north. I believe we are involved in the actual installation, operation, inspection, engineering and things of that nature, in respect to those projects. In some cases the Department of Regional Economic Expansion would be involved and in some cases DREE would not be involved. But, for example, your program for septic systems and wells or for assistance for communal systems would apply with the Ministry of Northern Affairs. It's almost a joint effort between the two ministries now.

Mr. Wildman: I hope you're not referring to the Isolated Communities Assistance Fund?

Hon. Mr. Kerr: No, no.

Mr. Wildman: All right. Because this \$750,000 wouldn't do very much as far as water and sewage projects are concerned.

Hon. Mr. Kerr: This is a separate program where we work with them in compiling and drafting our order of priorities and our budget. We work with the Ministry of Northern Affairs in those areas where it would have jurisdiction over the scheduling of projects and what work is to be done—what that ministry calls a regional priority budget.

Mr. Wildman: So you're talking about the regional priority budget. But most of the money comes from DREE.

Hon. Mr. Kerr: Not necessarily—it depends on the amount of money involved.

Mr. Wildman: Well, in my area that has been the experience.

Just one other thing: Some time during the estimates I would like it if you could fill me in on what contact or involvement your ministry had with Wharncliffe, on Highway 129, north of Thessalon, with whatever the Ministry of Northern Affairs is doing up there?

Hon. Mr. Kerr: Wharncliffe? Does anybody know? We'll have to get that information for you.

Mr. Acting Chairman: Mr. Laughren, would you like to carry on?

Mr. Laughren: I was wondering if the minister intends to follow the policy of his predecessor when he installs the community tap by incorporating it into a statue of the minister in the community.

I would like to carry on with what we were talking about the other day, and that has to do with the negotiations now going on between the Ministry of the Environment and Inco in Sudbury on the emissions and standards that must be met by January 1, 1979.

I asked about this the other day and received the comment from Mr. Barr, I think, that there was information available on what led the ministry to establish that figure of 750 tons a day of sulphur dioxide to be emitted from the stacks on January 1, 1979.

I am sure he and the minister agree that figure would not simply have been pulled out of the air and that information is available telling us what it was that led the ministry to believe that was a reasonable figure. I wonder if you could bring us up to date on that.

Hon. Mr. Kerr: Did you have any more information on that, Mr. Barr?

Mr. Barr: No. Mr. Chairman, I think, I mentioned yesterday to Mr. Laughren that the 750—and I used the word “arbitrarily”—was arbitrarily established in the early 1970s when the first control order was drafted. At that time as I recall, Inco's emissions were in the order of 6,000 tons per day, and the order called for a progressive reduction of these emissions, with 750-ton limit by the end of 1978.

I understood—if you like the rationale—that the 750 tons was based, not so much on technological changes in pollution abatement equipment to be installed as on technological changes within Inco's metallurgical processing. In other words, they were to be in-plant, rather than based entirely on abatement equipment.

Mr. Laughren: Could you be more specific?

Mr. Barr: By changing the metallurgical process and by establishing acid plants—

Mr. Laughren: Ah ha!

Mr. Barr: At that time certain technological advances were not known or unproven and to some degree this still exists. As I say, looking at it in the early 1970s, almost seven or eight years ahead this looked to be achievable as a target, although not necessarily in terms of whether it was needed or required.

Again, thinking in terms of 6,000 tons in the early 1970s coming down to 750 tons, that's a large range; and not too much consideration was given at that time, because of the lack of available data, as to whether the 750 was something that really needed to be met or was really required. Since the 750 was at the tail end, if you like, of the order program, it seemed that it could be achievable in terms of the technology. It was felt that the question of whether it was needed or not could be looked at before the actual time period had expired. As I said yesterday, this has been re-evaluated and we don't feel the 750 tons is needed or required.

Mr. Laughren: You really confuse me with those terms, “needed” and “required.” By whom?

Mr. Barr: By us, by the industry, by the people in the vicinity of Inco. In other words, based on the considerable data base that we have collected over the last several years, we feel the ground level concentration—which again I mentioned yesterday seems to be for the protection of vegetation and people—is a more rational method of determining what should be emitted from Inco's operations. It has a more realistic value in our mind than just stating a number of tons per day as we have in the past. We feel it's more rational, more realistic and certainly a point that needed to be made, that 750 tons is not necessary.

Mr. Laughren, having seen the changes since the 1970s, when the emissions were 6,000 tons, and considering the vegetation damage there as well as the number of times the air pollution index has exceeded the high levels, if you look at the change in recent years, where emissions now are down to around 3,600 tons per day, I think you'd agree that to say arbitrarily, “Let's go to 750 because the order says so,” doesn't have any sound basis—it doesn't in our mind, anyway.

[11:45]

Mr. Laughren: Don't do that to me. You are using a very shoddy kind of logic when you lay that trip on me. The point is, surely, that it's like an inverted fish bowl; and in an environment like that, it's the emissions that count.

I am not at all impressed by your comments that the vegetation in the immediate vicinity is less damaged than it was before. Of course there's less damage; you've got a higher stack and it emits a longer distance. We all know that. You know that as well as I do. In terms of the overall environment, whether the API readings are low or not, there is still that amount being emitted into the atmosphere.

Hon. Mr. Kerr: You must recognize the fact that there is about 3,000 tons less sulphur dioxide being emitted per day now than in the 1970s. That's the improvement; it's not just the stack.

Mr. Laughren: I didn't say for a minute that it's worse now than it was back in the early 1970s.

Hon. Mr. Kerr: At one point you should admit that it's a lot better than it was in 1970.

Mr. Laughren: It is.

Hon. Mr. Kerr: Just make that concession.

Mr. Laughren: It's not a concession; it's a fact that it is better than it was before.

I would like to pursue what Mr. Barr said about the acid extraction. It is my understanding—and I'm a layman—that the level could be reduced if more sulphuric acid were extracted. When that control order was negotiated with your ministry, was there or was there not an agreement with Inco to establish a new acid division in Sudbury to extract and produce considerably more sulphuric acid in the Sudbury operations?

Mr. Barr: I can't answer whether back in the early 1970s the provision of acid plants was to be a continuing program for SO₂ reduction. I know it is part and parcel of the work they have done. I may go back and say that by the continuous expansion of acid production plants you could continuously reduce SO₂ emissions. That's correct.

Hon. Mr. Kerr: Now, how they do that is their business.

Mr. Barr: That's right.

Mr. Laughren: No, like hell it's—

Hon. Mr. Kerr: If they do it by building sulphuric acid plants, that's fine.

Mr. Laughren: Right.

Hon. Mr. Kerr: We are interested in the levels and the control and meeting our

abatement standards. We are not requiring them to build plants or anything like that.

Mr. Laughren: Wait a minute now. If they're determining levels because they don't want to build plants, then it is your business.

Hon. Mr. Kerr: They're not determining levels.

Mr. Laughren: Who?

Hon. Mr. Kerr: Inco.

Mr. Laughren: You're damn right they are. If they say they are not going to build an acid plant and therefore we can't get the levels down, they're determining the levels.

Correct me, Mr. Minister, if I am wrong: Was there not an agreement back in the early 1970s that in order to meet that control order requirement, they would build a new acid division and would extract more sulphuric acid? That indicates it can be done, and Mr. Barr admits himself it can be done.

I want to remind you of the profits by that company during those intervening years; in one year alone it had a profit of \$300 million—clear, net, after taxes. For you to allow them to use that as a lever at this point in time, when the pressure is on with layoffs and so forth, is simply not fair. You have been outshuffled, and we are getting tired of seeing this ministry outshuffled by Inco and other polluters; I think it's not unfair to say that.

Back in 1936, I understand, Cominco in Trail extracted sulphur from the ore there and established a profitable fertilizer plant. So things can be done.

I am surprised you don't have with you—because you indicated yesterday you would have it today—information indicating what the ingredients of that negotiated control order were. That was a negotiated control order; I'm sure you would agree with that. The Ministry of the Environment did not say arbitrarily—despite the fact you used the word “arbitrarily”, I don't believe it—that there was an arbitrary figure of 750 tons stated in that control order. Surely you must have said to Inco at that time, “This is the control order,” and if Inco had said, “That's simply impossible to meet,” that figure would not have been there.

Hon. Mr. Kerr: I may be wrong, because I was not minister in those days, but I don't think Inco ever agreed to 750 tons. I don't think there was ever an agreement. I think they had a control order. They knew what the objective was and they were prepared to live with it and, hopefully, would reach it. However, I'm not aware of any indication by them of a commitment in 1970 that they could reach it. They indicated they

would attempt to meet the control order we issued at that time.

Mr. Laughren: Would you be prepared to table the documents that were part and parcel of that control order?

Hon. Mr. Kerr: I don't see any objection to that.

Mr. Barr: I think the point we haven't made yet is that by the construction of acid plants and the continuous expansion of acid production, the emission level could be brought down to zero essentially. But that's only one method of control. It's not the only method. Production of acid is not necessarily related to emissions. It's a method of control, if that's the way you want to go. But there are other methods.

For example, Inco can meet and have met on occasion, as you probably know, requirements on existing orders by cutbacks in production. That is another method of control. So there are different methods. Or it can be straight abatement equipment which will take SO₂ out—scrubbers and so on.

Mr. Laughren: Right.

Mr. Barr: I say that maybe, as an industrial corporation, they chose to use acid production during this period as a marketable product which has the added benefit, if you like, of reducing emissions.

Mr. Laughren: My own view—and there are a couple of reasons for my view too—is that we would be better off producing excess acid than allowing unnecessarily high emissions and that you should not be so concerned about the market for sulphuric acid.

Mr. Barr: I don't think we are.

Mr. Laughren: I prefer having some unused sulphuric acid sitting around to having 3,000 tons a day being emitted when it could be down to 750 tons, 1,000 tons or whatever. That's what's bothering me. You would have side benefits too, in terms of employment and so forth, if they were required to build an acid plant.

I'm really surprised that you don't have the information concerning Inco's commitment to build acid plants and even to incorporate the existing CIL operation into theirs and use CIL as the marketing arm for the acid. I thought that was the agreement back in the early 1970s.

Hon. Mr. Kerr: Do you think there should be any concern by the company about markets for sulphuric acid?

Mr. Laughren: Inco is in the business of producing and selling nickel and other precious metals, as well as meeting the require-

ments of your control orders. If a glut does develop in the market for sulphuric acid then that is a separate problem you cope with when they have met the standard of emissions. I don't see myself as being responsible for the supply of sulphuric acid on the market.

Hon. Mr. Kerr: If there is a glut on the market for sulphuric acid, it's somewhat similar to the problems of a glut on the market for nickel, isn't it? It affects the operation of the company.

Mr. Laughren: Of the acid company, do you mean?

Hon. Mr. Kerr: Yes, of Inco. We're dealing with Inco.

Mr. Laughren: No, we're not dealing with Inco in terms of acid. We're dealing with CIL. If Inco has to create the acid as a result of taking the sulphur out of the smoke, and it has to stockpile acid as part of the cost of its operation in order to meet the standard of emissions so be it. That's how I would view the problem. I don't think that is unreasonable. I'm not asking that any company go bankrupt or anything like that; that would be stupid.

Hon. Mr. Kerr: Or laid off or anything like that.

Mr. Laughren: No, you know better. I'm saying that if part of the package of good environment in Ontario is an excess of supply of acid, then so be it. I think it does less damage than the emissions. But I would very much like to have documents that were part of the original agreement because if building acid plants were an acceptable method—Mr. Barr, I assume, is correct when he says it's only one way of controlling the sulphur—a legitimate and reasonable way of lowering emissions back in the early 1970s, I assume it still could be done.

Mr. Barr: It's one method; and it has been done. It has been demonstrated by acid production that SO₂ emissions are reduced. But the production of acid is dependent on a market, as is the production of nickel. So I don't think the company would continue to expand acid production with no market.

Mr. Laughren: That's where you and I part company. The company produces slag with no market for slag. Am I right or not? By taking the nickel out of the ore, they have a lot of slag that cannot be sold. Do you agree?

I'm saying that if part of the extraction of the nickel and the other precious metals involves slag, which they have to cope with, then it can involve acid. They have to cope

with acid. Nobody says you can't produce nickel because they can't sell the slag.

Mr. Barr: Wouldn't you look at the other alternatives? You're saying acid is the only one.

Mr. Laughren: Absolutely.

Mr. Barr: I think the point we're making—

Mr. Laughren: All I want to know is whether you know what those alternatives are and if those other alternatives will allow them to get down to an acceptable level, which you yourself said was 750 tons a day.

Mr. Barr: No, I didn't say that.

Mr. Laughren: I didn't say that—you said it.

Mr. Barr: No, I said it's the requirement in the control order.

Mr. Laughren: It's in the control order. Right?

Mr. Barr: It's not necessary now, though.

Mr. Laughren: That's your opinion.

Mr. Barr: I'm saying we're looking at a new rationale which we feel is more realistic for the needs in terms of emissions.

Hon. Mr. Kerr: Wouldn't you pretty well achieve the same objectives?

Mr. Barr: Yes. I think so.

Mr. Laughren: By raising the acceptable levels, you achieve your objectives? Is that what you're saying?

Mr. Barr: No, we're not.

Mr. Laughren: It sure is what you're saying. And you haven't answered my question. If slag can be considered a byproduct that must be stored, why can't acid be considered a byproduct that must be stored?

Hon. Mr. Kerr: Do you sell slag?

Mr. Gaunt: It can make building blocks.

Mr. Reed: They don't do very much of it in the Sudbury area—

Mr. Acting Chairman: A few less interjections, please.

Mr. Laughren: I think the point has been made, Mr. Chairman, that the level of 750 tons was imposed upon the company for January 1, 1979, and while technology changes, the emissions into our environment don't change. They're still there as pollutants, and undesirable ones.

Mr. Barr: You're almost saying that there hasn't been any change between 1970 and 1977.

Mr. Laughren: As a matter of fact, I'll tell you something. That's a interesting point, and I'm really glad that you raised it. It's inevitable that there would be advances in

technology between 1970 and 1977—or 1979, if you want to go ahead a couple of years. And in view of those changes in technology, surely there is more chance now that the level will be reached than there was in 1970, when you didn't even know what advances in technology would be made and when you were prepared at that time to say that you would get down to 750 tons.

Now, even with the advances in technology, you're backing off from that commitment of seven years ago when you didn't even know that there would be these advances.

Mr. Barr: No, I don't agree with the rationale of putting in treatment just for treatment's sake. I think there has to be a purpose for it.

Mr. Laughren: Absolutely—to improve the environment.

Hon. Mr. Kerr: That's one of the reasons for our Sudbury environmental studies, isn't it?

Mr. Barr: You could go to the point of zero discharge, which is better than it is—maybe that's the ultimate—but would you go to zero discharge if it was not needed?

Mr. Laughren: Do you mean zero for sulphur dioxide?

Mr. Barr: For any contaminant.

Mr. Laughren: Obviously that would be desirable, but we live in a real world, don't we? I accept that.

Mr. Barr: That's why we're looking at the rationale, as I mentioned today and yesterday, that ground level concentration is realistic.

Mr. Laughren: But I'm worried that you're going to change the base on which you compute pollutants in order to fuzz the issue.

The minister mentioned a study that has been going on in Sudbury and he mentioned the federal government as well. Does the federal government make available, to you, all of the studies it does on the environment?

Hon. Mr. Kerr: As far as I know, we become aware of any studies they do in Ontario.

Mr. Laughren: Have they ever provided you with a study which indicates the cost of pollution in the Sudbury basin?

Hon. Mr. Kerr: I think that's part of the Sudbury environmental study, isn't it?

Mr. Laughren: I mean one that is already done. Have they done that for you?

Mr. Barr: I can't answer that. I don't know.

Hon. Mr. Kerr: I am not aware of that.

Mr. Laughren: That is an important question.

[12:00]

Hon. Mr. Kerr: Is anybody aware of that study?

Dr. Stevens: Would you please repeat your question?

Mr. Laughren: Yes, I'd be glad to. Are you aware of any federal studies which indicate the cost of pollution to the environment in the Sudbury basin?

Dr. Stevens: I think you are referring to the study by the Department of Energy, Mines and Resources. The general answer to your question, "Are we aware of all the studies Environment Canada does?" is yes.

Mr. Laughren: And was there a specific study on the cost of pollution?

Dr. Stevens: I don't know if that aspect was covered in the report, but there was a general study regarding the smelting industry in general in the Sudbury basin.

Hon. Mr. Kerr: Mr. Laughren, I think you are talking about one part of the total Sudbury environmental study, which involves both the federal government and ourselves. It has been going on for two or three years and has about another three years to go. Is that the one? It is quite a detailed study, and there have been interim reports issued on that study.

Mr. Laughren: I'll drop it now, but we will come back to it in a week or so. I do want **Dr. Stevens** to remember the question, though: Has there been a federal study completed which indicates the total cost of damage to the environment in the Sudbury basin?

Dr. Stevens: Okay. Fine.

Mr. Gaunt: Mr. Chairman, first of all, I want to get the ministry's guidelines with respect to the provincial lottery corporation and how those funds are applied for environmental research; in other words, the criteria for allocating money for environmental research. I want to try to apply those criteria to a number of situations like the acid rain situation, the nuclear dump situation and the dioxin situation, which are all important environmental matters. If I could get the minister to give me that information, we will take them item by item as I move through them.

Hon. Mr. Kerr: As I said yesterday, I believe, the objective of the provincial lottery, as far as our funds are concerned, is to support projects directed to the solution of health-related environmental problems. They are not restricted strictly to research but may provide for restoration of environmental problems where public health is in jeopardy,

contribute to standard criteria development or demonstrate the practical application of a technique to solve a health problem.

Many of these projects are by way of application. Some of them are problems that we know exist; for example, in respect to mine tailing areas and things of that nature. I mentioned the experiment with the Belleville Utilities Commission regarding the chloroform content of drinking water and other possible methods that may be superior in purifying drinking water—projects of that kind.

Mr. Gaunt: These are projects that have been undertaken so far—but you mentioned the Belleville one. In the annual report the only two which are mentioned are the derelict mines and the lead pollution clean-up. So the Belleville one is later.

Hon. Mr. Kerr: There are nine right now: The replacement of lead-contaminated soil around lead smelters—that was the problem in Toronto; the clean-up of inactive and abandoned mine properties; testing PCT substitutes for toxicity and bio-accumulation in fish—that is being carried out by Lakehead University; the detection and examination of viruses in the drinking and bathing waters in the Ottawa River—that is being done at the University of Ottawa; the investigation of hazards associated with road oiling—that is being conducted by a firm of consultants; a study of the possible spread of encephalitis through birds and rodents—University of Toronto; the clean-up of radioactive contamination in Elliot Lake properties through the Atomic Energy Control Board; the reduction of chloroform content in drinking water; the clean-up of a PCT spill near Dowling—the one involving CPR.

Mr. Gaunt: The minister mentioned the one in Elliot Lake—the radiation problem. I am wondering if consideration could be given to a study with respect to the radon gas and radiation problem in March township which was revealed in the paper a couple of days ago. Mr. Drowley is quoted in the Globe and Mail story as having been informed and alerted and involved in the problem.

The federal government and the province, I understand, have been in some communication with respect to this problem, which I gather is a natural phenomenon. It is not coming from tailings. It is not coming from a mining operation. It is a vein that apparently exists naturally. But there are 45 homes in question where radiation was found at levels in excess of the reference standard for radon and radon breakdown products.

First of all, how is the minister going to sort this one out with the federal government, and how are they going to assess the liability when there is really no source other than nature itself? How is that going to be worked out?

Secondly, would the provincial lottery funds apply to this kind of research and clean-up and perhaps compensation for the people whose homes are affected in the same way as it applied in Elliot Lake?

Hon. Mr. Kerr: Elliot Lake, of course, is different. It is a result of mining in that area. As the hon. member says, this is natural uranium. I guess the research, as far as the 343 homes is concerned, has pretty well been carried out by the radiation protection bureau, I believe it is, of the Department of National Health and Welfare.

I am not exactly sure why they picked this particular area. There may have been some suspicion that there was a problem there. In any event, their survey was conducted around 343 homes. There are really only about four homes out of that group that are at a danger level; another 36 or 41 are right around the criteria area or a little below. But the press story for some reason or other lumped them all together. Letters went out to all 343 home owners. Of course the letters were different for the four homes that had a high reading, a little different for the other 36 or 41 which indicated their levels, and there was a clearance on the balance.

There is a tendency here, I suppose, to try to pass the buck now. Our attitude is that this is natural uranium. It wasn't caused by any provincial operation. So the federal government, which started this survey and became involved, should remain with us in finding some sort of a remedy.

As to what our policy will be for assisting the home owners, we have now discovered ways whereby radiation levels within those homes can be lowered by installing equipment that will ventilate the homes. That has been successful in a number of instances in the Elliot Lake area.

We have suggested in Elliot Lake that any new homes should not have full basements but just have crawl spaces or even no basements, period. The ground floor would be the main floor. This would help reduce the accumulation of radon gas or radioactive material within the home which has a natural tendency to accumulate in the basement, which for the most part doesn't get any ventilation. People don't go down to the basement as much as they are around the kitchen, the main floor or even upstairs.

Our tentative plans now are to meet again. There has been a public meeting. Our officials have met with the federal government. There was a public meeting this week involving March township officials, the two levels of senior level of government and the home owners involved.

My own lay opinion is that somebody, who is an engineer or who has some idea of how to solve or to reduce the problem somewhat like the Elliot Lake situation, will again survey and assess those homes to see what can be done immediately from the point of view of alterations within the house in terms of construction or the installation of some type of ventilation equipment. We have to find out what that will cost and then decide whether the home owner pays the total cost. I'm not worried. There are a number of federal civil servants living in March township. They have \$115,000 and \$160,000 homes. I'm not sure I feel the taxpayers should be responsible in this situation.

Mr. Gaunt: They're not exactly paupers.

Hon. Mr. Kerr: But how do you establish a policy? Do you have a means test? What do you do here?

Mr. Reed: Those poor home owners may have accidentally struck it rich.

Hon. Mr. Kerr: Maybe. They have a little mine in their basement.

In any event, that's what we have to do here. There is always an immediate reaction about what the government is going to do about it. The government didn't cause the problem. I suppose you might say we should have had some sort of a radiation survey done before a plan of subdivision was approved. I don't know whether that would have been a reasonable requirement 10, 15 or 20 years ago. In any event, it will certainly have an effect on any future development in that area. We may have to get into the type of assessment now where an environmental assessment will probably include radiation as well as topography, soil, the availability of water and sewer services and things of that nature.

We've got to put our heads together and realize there's some degree of responsibility by everybody—and I say the four parties here: the home owners, the township and the two senior levels of government—to decide what has to be done, what's it going to cost and how the burden of that cost should be assumed.

Mr. Gaunt: The main thrust of your negotiations, and how you see it, is a method by

which these home owners are compensated. That's really the main concern at this point and whether or not the four parties can share the cost of such a burden. Is that correct?

Hon. Mr. Kerr: I think you should go further than that. I'd say whether or not there should be compensation and, if so, who shares it and what arrangement is made regarding compensation.

[12:15]

Mr. Gaunt: Let me move on to the matter of nuclear dump sites in Ontario. This was discussed yesterday. The member for Nickel Belt (Mr. Laughren) got into the matter of the nuclear program and his great unease about the whole problem, including the waste problem. Again, I am wondering if this is the kind of thing that the provincial lottery funds could assist with in terms of research.

Mr. Wildman: Give all the nuclear waste to the Minister of Culture and Recreation (Mr. Welch).

Mr. Gaunt: I, too, am concerned about some of the things that are happening in this particular field. The federal government has introduced legislation with respect to replacing the Atomic Energy Control Board with the Nuclear Control Board, which I gather has a tougher responsibility in terms of control. In addition, they will have a mandate when the legislation is passed, to hold public hearings on major construction facilities, whether they be heavy water plants, nuclear reactors or nuclear waste management facilities. I gather that whole ball of wax now is going to be subject to public hearings on application.

I was really quite alarmed when I read in the London Free Press last week that this chap, Dr. Kenneth Hare, the University of Toronto environmentalist, had headed up a study for the federal government to try to locate dump sites for nuclear waste in Ontario.

The report said essentially that Ontario was the place to put this stuff, that in his view two sites were required and the best way to store nuclear waste was to put it in hard-rock mines which are available in Ontario.

Mr. Haggerty: At the 7,000-foot level, though.

Mr. Gaunt: Yes, at the 7,000-foot level. He suggested that a target date of 1983 should be pinned as a firm date to select the two sites, with the operation of those sites to start some time between 1995 and the year 2000. He estimated the cost would be as high as \$200 million and that the annual operating cost could be estimated at \$100 million. First,

that seems to me to be a presentation of a danger to the environment. Second, it seems to me that the cost of such dumps in Ontario would be almost prohibitive. I can't understand how they arrive at this kind of cost.

My question really is: Has there been any research done on the part of the ministry as to what impact this kind of presentation would have on the province and the environment in this province?

I don't want us to get into the position of the federal government thrusting all these nuclear wastes on the province of Ontario and saying: "You have the big nuclear plants, so you look after the waste. It is your problem."

We can get into the whole nuclear program and the need for it, but suffice it to say that even though I have a nuclear plant in my riding, I am very concerned about Ontario Hydro's long-term objectives to spend \$40 billion in the next 15 years to construct nuclear power plants in this province. Associated with that, of course, is the need to get rid of the wastes. In my view this is just the start.

We are going to get into the position where not only will the capital outlays for these nuclear plants be almost prohibitive, but the costs associated with the methods and the locating of sites and so on to dispose of the waste, as an end product of the nuclear process will almost be prohibitive as well.

I am wondering what independent studies, if any, the ministry has done in this respect. If no studies have been done, could provincial lottery corporation funds be made available for this kind of thing before it becomes a fait accompli and before we really know all of the implications involved?

Hon. Mr. Kerr: Just to go back to some of the points you have raised, I believe you mentioned the new legislation, which we mentioned yesterday, the new Nuclear Control and Administration Act. It would set up a Nuclear Control Board; in other words, get it away from Atomic Energy Control Board—

Mr. Haggerty: That's a conflict of interest, though.

Hon. Mr. Kerr: —which, shall we say, has a rather checkered reputation in this whole area.

Mr. Gaunt: It certainly has.

Hon. Mr. Kerr: That is really one of the reasons why the government set up the Hare committee.

One of the points made by Professor Hare was that the government of Canada should

finance all the cost of developing technology for the said storage and disposal of radioactive wastes.

Mr. Haggerty: That should be in the price of uranium when it is sold or exported from countries.

Hon. Mr. Kerr: You mentioned hard-rock mines, Mr. Gaunt, but the phrase is "geological pseudo-formations."

Mr. Gaunt: To my unsophisticated mind, does that mean hard-rock mines?

Hon. Mr. Kerr: Could be.

Mr. Wildman: Not salt mines?

Hon. Mr. Kerr: It says here: "The repository chosen (initially one will suffice) should be regarded as a central national facility and should be located in Ontario. It should be federally owned and operated and be available to all provincial utilities."

When he says "national facility," I suppose he is talking about putting it on Crown land. Is that it? Maybe he means an old army camp or something.

Mr. Gaunt: The cost of locating that facility, and maintaining its operation would be entirely federal?

Hon. Mr. Kerr: Right. Hydro's cost, of course, would be the cost of getting it from its nuclear generating stations to that site.

Mr. Reed: Plus the cost of storage.

Mr. Gaunt: Given that situation then, our main concern has to be for the safety of the environment and the safe operation of that storage disposal location.

Hon. Mr. Kerr: Right. There is another conclusion that was raised here: "We expect no environmental or health impacts once the wastes and irradiated fuel have been emplaced in the repository. The slight risk will be associated with the preparation, transportation and emplacement functions."

To answer your question, up to now we have been working pretty closely with AECB, I think mainly because of Port Hope, Elliot Lake, the whole question of nuclear power and the fact that Ontario Hydro has a program for building more nuclear generating stations.

In my humble opinion—and this is only my own personal opinion—Professor Hare's timetable is not good enough. He doesn't recommend that the site be chosen until 1983. I think the site should be chosen at least by 1980.

Assuming there will be environmental assessment hearings for any more or any new nuclear generating stations in Ontario, one of the considerations of a hearing will be where the ultimate disposal of this radioactive ma-

terial is going to be. They would have to answer that, and they should be ready to answer that, in a hearing of that kind. That should be part of the consideration.

Why wait more than five years to choose a site? I realize it is sensitive and there is going to be a problem. I think they have solved at least 50 per cent of the problem by saying it will be a national facility rather than talking about assembling 500 or 600 acres somewhere in the province, as they tried in Madoc. They just will not be able to establish it, because it will mean buying up homes and moving people away. Despite the fact it is a safe method of disposal, to get people to live there is not a reasonable requirement or conclusion.

Mr. Gaunt: I agree with the minister. I think it is going to be a problem, but it's going to be a problem whether we pick the site in 1980 or 1983. The minister's point is to get on with it, pick the site as soon as possible and have the environmental assessment and so on. I could support that. I think they might as well find out how difficult it's going to be sooner rather than later.

Let me put a question to the minister. Based on Dr. Hare's report, are you satisfied that Ontario's interest, environmentally, is going to be fully protected?

Hon. Mr. Kerr: Yes, I have much more faith and encouragement now. I must say the Nuclear Control and Administration Act, which is the full name, and the idea of a Nuclear Control Board, are the result of discussions between both levels of government and Ontario Hydro. Without denigrating the role of AECB, we have always been concerned about the dual or triple role the Atomic Energy Control Board seems to have in this whole area—dealing with uranium, the approval of nuclear generating sites, the whole Candu system, which is really theirs, and everything connected with the generation of nuclear power. That was the arrangement right from the time the prototype plant was started in Chalk River.

Now we are dealing with something else. We're dealing with waste. I'm not saying it was our idea, but it was discussions between the agency and two levels of government that resulted in new legislation and a new board. The deal was one specific thing basically. We are satisfied with that.

We still have to comment on the Hare report. We have some input, I would assume, Mr. Caplice, into this report. Did we assist in any way in providing material or anything to Hare? Did we have public hearings or anything like that such as Porter is doing?

Mr. Mr. Caplice: We did not have direct input but Dr. Hare worked under a very tight time schedule, as he mentions in his introduction. I think that report was pulled together in something less than six months. The review of all the documents we had filed with the Royal Commission on Electric Power Planning and other documents was conducted by the staff that assisted that committee of three to pull together that report. There were no direct consultations between Dr. Hare and ministry staff, but he had access to all of our information.

Hon. Mr. Kerr: To conclude this point, there's a close relationship. It seems to me that at one time—and Mr. Drowley may be able to clarify this—the atomic energy safety council or safety board or something involved both our ministry and the Department of Energy, Mines and Resources? I recall when we were having some problems at Bruce about the location of either a heavy water plant or an extension of the nuclear plant—that was the \$1 million that the member for Grey-Bruce (Mr. Sargent) kept talking about—that board had to change the location. I believe Mr. Drowley or somebody from our ministry was on that council.

[12:30]

Mr. Drowley: AECB, under the old organization, set up what it called safety committees or councils which were specific to each location. In doing that, there would be representatives from the province and the federal government on them. We were represented, and the ministries of Natural Resources and Labour were represented, with our counterparts from the federal side. That is how a lot of safety commitments were looked after to ensure them under AECB because AECB has the final licensing authority.

Hon. Mr. Kerr: I think the same thing would come out of this. I don't know if Hare makes any recommendations about what public bodies should be involved in it.

Mr. Drowley: On the same point, the new bill which the Minister of Energy, Mines and Resources has before the federal House makes provision for AECB to enter into agreements with provinces for them to adopt provincial standards and requirements. This is a major step from what they had before. It will also ensure that the province's interests are looked after in future dealings.

Mr. Gaunt: I won't pursue that any further. I had intended to raise the matter of acid rain under this vote but I think I

will leave it until the air resources item and give somebody else a chance before 1 o'clock.

The final matter I want to raise under this particular item is Dioxin, which is a very lethal product. Based on what the minister said previously, this kind of thing would come under the provincial lottery corporation fund program in terms of research because it is health-related and its impact on the health of humans could be quite dramatic.

Dioxin, I gather, doesn't appear as a pure product. It appears as a result of accidental combinations from industrial processes or even sewage processes. What is the ministry doing? They were toying with the idea of embarking on a full-scale monitoring program; at least they were evaluating the possibility of doing that. I believe they were considering that back in December 1976. Beyond that, I haven't heard anything. What was the decision of the ministry at that time? Dioxin, according to the ministry, is among the strangest of the ghost contaminants.

Hon. Mr. Kerr: Phantom.

Mr. Gaunt: Phantom contaminants. It is known as the world's deadliest chemical.

Hon. Mr. Kerr: Is it registered for use by the Ontario Federation of Agriculture?

Mr. Gaunt: No, it isn't, I don't think, but 2,4,5-T is and 2,4-D certainly is. A number of these other chemicals are licensed. Apparently, Dioxin can result, given certain chemical combinations that occur from time to time, as a sort of byproduct of these other chemicals. Given the fact that cancer and birth defects are among its possible effects, what is the ministry doing in terms of monitoring, testing and finding out what is going on with this product and how it can be curtailed in its impact on the environment?

Mr. Drowley: If I correctly interpret your question as to Dioxin, Dioxin in my understanding is a contaminant in a pesticide. In other words, it is a very minor byproduct, if you want to call it that, of the manufacture of the pesticide and is residual to it.

Mr. Gaunt: That's true.

Mr. Drowley: As such, when the pesticides advisory board is going through all its ratings on pesticides, this is very closely scrutinized. I can provide you with the details of it; I'll have to get them. But it is a very trace contaminant and is not particularly widespread, as far as we know.

Mr. Gaunt: So then, Mr. Drowley, am I correct in saying that you have not set up a monitoring program for Dioxin per se?

Mr. Drowley: Yes.

Mr. Gaunt: Other than through your pesticides board?

Mr. Drowley: That's correct, sir.

Mr. Gaunt: Is there any thought that you will set up such monitoring? Or do you feel that your control devices, through the board, are sufficient to keep track of this product?

Hon. Mr. Kerr: You mean the pesticides board?

Mr. Gaunt: Yes.

Hon. Mr. Kerr: Mr. Symons, would you like to comment on that? My opinion is that our research people are aware of anything that is considered a contaminant, or a pesticide—they are aware of its use and distribution and its effects.

Mr. Symons: As Mr. Drowley has said, Dioxin is a contaminant in pesticides. As such it is given close scrutiny when the pesticides are submitted for registration to the federal government. All pesticides in Canada must be first registered by the federal government. At that point careful consideration is given to the toxic effects of the compound and of all the materials in the compound. There are rules then associated with the specific use of the compound before there is acceptance of a product by the federal government for use in Canada.

Following this, and with the information that is available on toxicity, the material is studied by our pesticides advisory board. It rules whether the product is acceptable for use in Ontario and, if so, under what circumstances.

Mr. Gaunt: Yes, I gather that 2,4,5-T is really the big one here; that Dioxin occurs as a part of the process in making 2,4,5-T. The Ministry of Transportation and Communications uses 2,4,5-T rather extensively to kill brush and to spray weeds along the roadside. Has there been any communications with MTC with respect to the harmful or possible harmful effects of continued use of this chemical? Having said that, I notice that the government of Canada, last year, I believe, cut the allowable levels to 0.1 part per million from 0.5 parts per million, so it must be concerned that there is a possible problem here as well.

Mr. Symons: Yes, I understand there have been additional restrictions placed on this. I can't give the specific details on research that may be going forward either at the federal level or under our Pesticides Advisory Committee. We could obtain those details and bring them forward.

Mr. Gaunt: I would appreciate getting those details here. Thanks very much.

Mr. Acting Chairman: We have two more speakers on this item. I might mention for the committee's benefit that we spent more than two and a half hours on item 1 and we still have five other items on this vote as well as a few other votes to carry in these estimates. Perhaps we could keep it down a bit and try to get through.

Mr. Wildman: Mr. Chairman, some of the things I wanted to raise could fit under some of the other items more specifically. If it's acceptable to the committee, I'd be willing to have this item passed if I had the opportunity to speak under air resources. But that's up to the committee.

Mr. Yakubski: Mr. Chairman, just to follow up on Mr. Gaunt's train of thought when we had the gentlemen here explaining about one of the pesticides or chemicals, I'm interested in knowing—and the name escapes me at the moment—about the pesticide which I think is being researched at present. It's the one they have some hope will be very helpful to the farmers in keeping the birds away from grain, corn et cetera. I can't think of its name—

Hon. Mr. Kerr: Avitrol.

Mr. Yakubski: Avitrol. That's the one. I'm wondering if the gentleman who just gave Mr. Gaunt an explanation of the other product could bring us up to date on this one. Birds are a very serious problem to many farmers in this province, especially in those areas where the birds depend on wild berries and so on; in years when those are not too plentiful, the birds swoop down on farms and almost devastate them. I'm wondering if the gentleman could bring us up to date on what advances have been made in terms of the availability of that product to farmers faced with the problem.

Mr. Symons: As you are aware, Avitrol was banned from general use for bird control about two years ago by the ministry. The reason for the ban was in part the humane aspects associated with the product and the fact that its effect on the birds was to give them an erratic pattern. It appears that a very small percentage of the birds are affected but, because of the results on individual birds, other birds move away from the area.

Under our ministry, and in co-operation with the Department of Agriculture, studies have been going forward on trials with respect to the use of Avitrol in limited areas. We do not yet have the full results of these test plot experiments. This work is again being supervised by the Pesticides Advisory

Committee. Our ministry will be expecting a report from that committee on the use.

Mr. Yakabuski: When might you expect that report? The situation is very serious with a number of farmers that I know.

Mr. Wildman: Alfred Hitchcock is the main researcher.

Mr. Symons: I would expect that we would have an interim report early in the new year.

Mr. Yakabuski: Thank you very much.

Item 1 agreed to.

On item 2, air resources:

Mr. Acting Chairman: We have three speakers: Mr. Wildman, Mr. Kennedy and Ms. Bryden. I believe Mr. Charlton also wishes to speak.

Mr. Wildman: I don't think we'll make it through that list today, Mr. Chairman. I would like to follow up on a couple of things that were raised under the first item in regard to air resources and the question of radon pollution at Elliot Lake.

[12:45]

I noticed the minister mentioned the work that has been done in regard to the circulation of air in basements and of use of false floors. While I know he talked about crawl space, I'm talking about what is actually done right now, which is false floors and fans.

I am wondering what the ministry's feelings are regarding the dependability of the mechanical process of fans. Anything mechanical can break down. Would it be a serious situation if you had a power failure or outage, or if the fan breaks down without the knowledge of the home owner? How long would it be before it became a serious problem? I suppose it depends on the various levels of specific areas.

Hon. Mr. Kerr: That's right. If the radiation levels were low because of the fan and the false floors, I would think the home owners would know within a reasonable time if the fan broke down and it would be repaired within a reasonable time.

Mr. Wildman: I'm just thinking of the situation where someone might be away from home when it broke down; when they got home they would find out it hadn't been in operation for some time.

Hon. Mr. Kerr: I may be wrong, but I believe some of these fans have a warning system and standby power. I think it would take some time before the levels would increase to a dangerous level after the equipment broke down anyway.

Mr. Drowley: That's correct, Mr. Minister. The other thing I should point out is that

AECB currently has a task force working on remedial measures. In other words, we are not satisfied—nor are they—to use a mechanical device because of the chance of fire.

Mr. Wildman: I also know that the steel workers' rep and the two union locals there have expressed some dissatisfaction with the dependence on mechanical processes in the homes.

I would also like to know what the minister's feelings are, and what input the ministry has provided, in relation to what appears to be an almost full-scale go-ahead at the company's town sites in Elliot Lake, because of their agreement with the various agencies involved, to put in these kinds of remedial measures. At the same time, anyone who does not happen to be an employee of the company just can't build a house because they don't have any of these agreements.

What we are really saying is that it's all right for Rio Algom and Denison to build houses for their employees because they will be putting in remedial types of equipment, even though it's well known that where they are building is in the area that has been shown to have high levels of radiation, but anyone else coming into town who doesn't happen to be an employee of one of those two companies just cannot get a place to stay and will not be able to obtain housing.

Hon. Mr. Kerr: Mr. Drowley commented on this as well. Our standards and requirements are the same for anybody else moving in as those applied to houses that are built by the company and sold to the employees. For example, in arranging with the mortgage company for a loan to build a house or in taking over a home that may have a CMHC mortgage on it—

Mr. Wildman: But CMHC won't go for this kind of mortgage.

Hon. Mr. Kerr: They will now, but they must have certain guarantees. I'm not sure if it's in the form of a certificate, but something has to be registered on the title indicating to that home owner that there is a problem there, what is being done to minimize that problem and that they're buying with full knowledge. The houses we are dealing with here are mainly houses that have already been built. The question of new subdivisions—

Mr. Wildman: The 2A subdivision is going ahead.

Hon. Mr. Kerr: That's right, on the same basis. We are talking about subdivisions that have been approved, rather than houses that

have been built. Would you like to enlarge on that, Mr. Drowley?

Mr. Drowley: The original agreement there, as I recall, was that CMHC refused to put up funding for anybody; the mining companies, of course, needed their houses, so they assumed the total risk. I understand that to some degree this has been alleviated, in that once the companies are building with the under-floor drainage and so on, and the houses are inspected, CMHC is going along with it.

Mr. Wildman: That's a good phrase to use.

Mr. Drowley: I also understand that CMHC will now also fund the private sector on this.

Mr. Wildman: They will under the same kind of agreement. But so far they haven't been able to find anybody to make that kind of agreement.

I won't continue on that, but I do want to express some concern over the fact that dependence on mechanical means leaves something to be desired. I know there have been certain opinions expressed on the same basis. There is a division of opinion in Elliot Lake, I'd certainly admit, about the whole thing.

Hon. Mr. Kerr: As I said yesterday, I think, the town council was anxious to have housing within the boundaries of its community. We say there is a problem there. We're trying—and I know the Ministry of Housing feels the same way—to encourage development outside the town.

Mr. Wildman: Blind River.

Hon. Mr. Kerr: Yes, it'll probably involve the construction of better highways or servicing in that region or even in the airport area, as Mr. Lane has indicated, to get away from the problem area because, as you know, it's there for all time.

Mr. Wildman: MTC is waiting to find out what's happening with the whole thing before deciding whether to build Highway 555. But I'll leave that.

I'd like to know if it is true that your ministry has not done a substantial survey of the effects of acid rain in northern Ontario. Is that right or wrong?

Hon. Mr. Kerr: It's wrong.

Mr. Wildman: Okay. Can you tell me where you have done this kind of research and how it might relate to the whole problem of superstacks and the matter of the wider spread of pollution?

Hon. Mr. Kerr: There has been a report within the last four or five weeks dealing

with acid rain. This is all part of this Sudbury study that I mentioned. It has been going on for a few years and it's going to be, without doubt, one of the greatest studies in the history of the province. It will take about six or seven years, apparently. In any event, it dealt with certain lakes and rivers in south-central Ontario which are, suppose, downwind from the Sudbury area—

Mr. Wildman: So is Michigan.

Hon. Mr. Kerr: —and Georgian Bay, South Nipissing, north of Lake Simcoe and west of the Ottawa River. We've catalogued the results lake by lake, indicating the period of the testing and the levels and range of acid rain in the precipitation. We may be more advanced in research in this area than any other jurisdiction.

Mr. Wildman: I understand that some research has been done in New Brunswick.

Hon. Mr. Kerr: There has been a report or an opinion, maybe from the same study team, indicating that the poor old Maritimes is the recipient of some of this acid rain from the northeastern seaboard, the midwest and from Ontario and Quebec.

Mr. Wildman: That's right.

Mr. Drowley: We have entered into a working arrangement with the federal government to study the effects of long-range transport. It's quite complicated, because you get into atmospheric chemistry and upper winds as against lower surface winds. The picture is not quite clear as to where the cause actually is, whether it's one source or a multitude of sources. This is really what we're in the process of determining right now.

Mr. Wildman: I just want to let you know of the experience I had when I was flying to Toronto from Timmins once on a very cloudy day. It was very low cloud and we were up above the clouds. As we flew over Sudbury, the pilot said, "We are now flying over Sudbury and if you look out there you can see the stack." I looked out and there was this stack sticking out of the clouds. All you could see was black smoke pouring out over the clouds. It was really symbolic of the whole situation of Sudbury.

Hon. Mr. Kerr: There must have been a breakdown that day.

Mr. Wildman: Anyway, you have not done any studies in relation to Algoma and acid rain—that is, west of Sudbury?

Hon. Mr. Kerr: The study area seems to be Sudbury and maybe to the south and southeast.

Mr. Wildman: Okay. This is the main study, I understand. Have you done any

other studies of the effects of stacks and this kind of spread? I am concerned. I raised in estimates last year the problem of Wawa and the Algoma ore division's operations there. The sulphur burn outside of town there is about 20 miles long and two or three miles wide—a near-Sudbury in the northern bush, so to speak. I just wonder what work is being done there, if any; and if none, how the work in Sudbury might affect other smaller operations that are pouring pollution out of stacks.

As you know, there was some discussion a couple of years ago about whether or not Algoma should build a higher stack and then, because of some of the criticism of what was happening in Sudbury, they said perhaps they should reassess that. I am just wondering what's happened.

Hon. Mr. Kerr: My information is that, apart from this particular study dealing with acid rain, there are ongoing studies, assessments and testing and analysing of lakes and streams in the Wawa area of the province—general quality testing—as part of our Experience '77 program.

Mr. Wildman: There has been some work on abandoned pits; I brought that up last year. That's different, though. I'm talking about the effects of the stack at the Algoma ore operations.

Hon. Mr. Kerr: Do you want to answer that, Mr. Drowley?

Mr. Drowley: We've done vegetation studies of the area but I don't know if we have specifically done acid rain studies in that particular area.

Mr. Wildman: I understand you haven't.

Mr. Drowley: I don't think we have, quite honestly. But, as I said, the transport mechanism is very complex and it is under study. It is not only under study here; it is a worldwide problem.

Mr. Wildman: Just a short conclusion to that, because I have to leave and I know we are running out of time.

If the wind changes, as it does from time to time once or twice a summer in the Wawa area, and you get the wind downdraft blowing over the town, lawns have a sudden tendency to turn yellow and leaves seem to be affected. Everyone is happy that it doesn't happen very often, but the point is that when it is not happening in Wawa, it means it is going out over the bush. What we have is a very serious sulphur burn that doesn't affect any human beings but the animals and the vegetation in the area. And in the long run, I am sure that affects human beings as well.

Hon. Mr. Kerr: Mr. Wildman, you asked about Wharncliffe.

Mr. Wildman: Yes.

Hon. Mr. Kerr: I understand that the Ministry of Natural Resources assisted that community under the isolated communities assistance fund.

Mr. Wildman: Right.

Hon. Mr. Kerr: It was \$5,000 for water supply, I guess, for about 34 homes. That work was completed just last October.

Mr. Wildman: That was an extension of a Hydro pumping station from behind the Hydro dam.

Mr. Acting Chairman: We will adjourn now until 8 o'clock Monday night.

The committee adjourned at 1 p.m.

CONTENTS

Friday, December 2, 1977

Environmental Assessment and Planning Program	R-1031
Program Administration	R-1031
Air Resources	R-1043
Adjournment	R-1045

SPEAKERS IN THIS ISSUE

- Bryden, M. (Beaches-Woodbine NDP)
Gaunt, M. (Huron-Bruce L)
Haggerty, R. (Erie L)
Johnson, J.; Acting Chairman (Wellington-Dufferin-Peel PC)
Kerr, Hon. G. A.; Minister of the Environment (Burlington South PC)
Laughren, F. (Nickel Belt NDP)
Reed, J. (Halton-Burlington L)
Wildman, B. (Algoma NDP)
Yakabuski, P. J. (Renfrew South PC)
- Ministry of the Environment officials taking part:
J. R. Barr, Assistant Deputy Minister, Regional Operations Division
W. B. Drowley, Executive Director, Environmental Assessment and Planning Division
D. P. Caplice, Director, Environmental Approvals Branch
Dr. S. Stevens, Supervisor, Technology Development and Appraisal, Air Resources Branch
K. E. Symons, Director, Pollution Control Branch



Legislature of Ontario Debates

Official Report (Hansard) Daily Edition

Resources Development Committee

Estimates, Ministry of the Environment



First Session, 31st Parliament

Monday, December 5, 1977

Speaker: Honourable John E. Stokes

Clerk: Roderick Lewis, QC

CONTENTS

A list of the speakers taking part in the debates in this issue of Hansard appears, in alphabetical order, at the back of this issue.

Daily contents of proceedings also appears at the back of this issue. Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff. (Phone 965-2159)

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LEGISLATURE OF ONTARIO

MONDAY, DECEMBER 5, 1977

The committee met at 8:08 p.m.

ESTIMATES, MINISTRY OF THE ENVIRONMENT (continued)

Mr. Chairman: I see a quorum. When we adjourned last Friday afternoon we were on vote 2002; item 2, air resources. The first speaker on our list this evening is Mr. Charlton.

On vote 2002; item 2, air resources:

Mr. Charlton: Mr. Chairman, I have a number of questions for the minister and the ministry. Regarding Interflow Systems in Hamilton, I would like the minister to clear up a few things for me if he can. I have here an article that was in the June issue of a magazine called Ontario Report; and it talks about Interflow Systems' burning industrial liquid waste from a number of cities in Canada and the United States, and the levels of emissions which this plant is giving out under permits from the provincial government. The article also mentions the fact that Interflow is burning somewhat radioactive liquids from McMaster and possibly other sources. I would like to know from the minister to what degree the company is burning radioactive liquids from McMaster and what his ministry is doing to control or monitor this.

Hon. Mr. Kerr: As far as I am aware, Interflow is no longer burning in Hamilton, as a result of some violation notices that we served against the company. The company shut down the incinerator last April, and as far as I am aware—there was a newspaper article just recently on that—it is operating as a transfer station now. We have an application to approve the site as a transfer station. As you probably know, just a couple of weeks ago the company was convicted and fined \$3,000. It is my understanding that the incinerator is not in operation at the present time.

Mr. Charlton: Mr. Minister, does what you mentioned about transfer mean they are burning somewhere else?

Hon. Mr. Kerr: What it would do would be holding some of the wastes there for ultimate treatment at some other approved

site or for disposal somewhere else. It is quite possible it is part of this fixation or solidification process that K and L is operating, the Laidlaw group is operating, at the Ottawa city disposal site. But, as I say, the waste wouldn't be disposed of or treated at the Interflow Systems' old site where there was the incinerator.

Mr. Charlton: Further to that, Mr. Minister, regardless of whether or not they are still burning, this article about the burning of liquids involved in the reactor process at McMaster said they had some low level of radioactive content in the form of carbon 14. Has your ministry monitored that kind of burning at all? What particular results did you find if you have monitored it?

Hon. Mr. Kerr: I'll let Mr. Barr answer some of those detailed questions. That was some of the material that Interflow had been burning at its plant in Hamilton. They were using mainly waste oils as fuel. Because of the inability of that incineration process to generate sufficient heat and destroy some of this material, there was a great deal of odour and smoke impingement that affected the people on the beach strip particularly. Mr. Barr, do you have any idea what used to be burned at that plant?

Mr. Barr: No, I don't have the details, but the reason the incinerator was shut down by Interflow was the difficulty it had in operating the incinerator at a proper heat temperature. It was getting emissions, violation notices and odours in plumes. The company found it couldn't economically support the installation of further abatement equipment to justify the volumes it was handling; so it made the choice of shutting down the incinerator rather than putting money in pollution abatement equipment.

Mr. Charlton: Thank you very much.

Mr. Chairman: All through, Mr. Charlton?

Mr. Charlton: For now, yes.

[8:15]

Mr. Chairman: We had Mr. Gaunt next on our list. He had indicated a desire to speak but he hasn't shown up, so we will call on Mr. Cooke.

Mr. Cooke: I just want to ask a couple of questions. There is one area that I understand Mr. B. Newman has already covered, but unfortunately I couldn't make the estimates that day, so I would just like to question the minister regarding the application from the Essex County Lung Association to your ministry for funding of a pollution study on the effects on children in Essex county. There was a preliminary study of which I am sure you are aware. They then approached the Minister of Health (Mr. Timbrell), who took five months to decide that it came under your ministry. Now we are in the process of working through your ministry. Have they applied to you, or have they made any contact with you yet?

Hon. Mr. Kerr: No. As a matter of fact, as I told Mr. Newman, we have had a letter from David Cooke, MPP, and we have had a letter from a citizen in the area by the name of Mrs. Allison. As a result of this correspondence, we wrote to the president of the Essex County Lung Association and indicated we were in support of its proposed research study on the effects of air pollution on Windsor children; we also said, "If there is anything we can do to help, please let us know." That letter went out about three weeks ago and we haven't heard anything since.

Mr. Cooke: My assistant was talking today to Mr. McFadden from the Essex County Lung Association, and I understand they are in the process of consulting with people to make sure the proposed study is very acceptable to your ministry. That, I guess, is what is taking the time. So even though they haven't responded to your correspondence, they obviously are very interested in the financing and are just making sure the application for funding will be up to par. I am sure the response will be coming along very quickly. I imagine your ministry has taken a look at the preliminary study or the pilot project study.

Hon. Mr. Kerr: Yes, we have some information. A lot of it was passed on to us by Mr. Timbrell. It is simply a matter now of deciding what further they would like our ministry to do.

Mr. Cooke: If the application and the proposed study are reasonable, your ministry at this point is going to look very favourably on that application. Is that correct?

Hon. Mr. Kerr: Yes.

Mr. Cooke: The other thing I wanted to get into briefly is the Peerless Cement PCB problem in Detroit. We have talked about this before through letters and in some con-

versations. Why, when Peerless Cement was making this application, did your ministry support the application without consulting anybody in the Windsor area?

Hon. Mr. Kerr: What happened was that the people in the United States, particularly the Wayne county air pollution control division, had asked us for some comment on this particular method of disposal of PCB-contaminated material. They were after some technical information as to what experience we have had with it and what our comment generally were on this type of technology.

We indicated to this APCD that if the technology and the process were the same as we had experimented with at St. Lawrence Cement, our people were generally in favour of this method of disposal. In other words we said that in our opinion the proposal represents an environmentally sound method for the destruction of PCBs, assuming—we underlined that—it was similar to the type of process we had been using at St. Lawrence Cement.

It wasn't a question of approving the process. It wasn't a question of saying we were all for it. It was just a matter of a technical submission from the people within my ministry who were commenting on that. They had conditionalized their comments on the fact that we didn't really know what was in store for Peerless.

Mr. Cooke: What authority does the provincial government have with that transboundary pollution agreement between Michigan and the province? I understand, from what I was told when I went to a hearing in Detroit, that the province has a fair amount of say in that and if it had objected, that would certainly have carried a lot of weight. So there is a process whereby the province of Ontario is consulted; and its opinion is very important to the whole process so that it had objected at that point—

Hon. Mr. Kerr: Why would we object?

Mr. Cooke: First of all, you still have not answered my first question. It was that even though you gave approval to this thing, it was done very quietly. You gave approval without even consulting any people in the local area. It came as a surprise to the mayor and other people in the city to find out that the federal and provincial governments had given the blessing to the project and no one had even been consulted.

Hon. Mr. Kerr: You are exaggerating. We didn't give our blessing to the project at all.

Mr. Cooke: You were not at the meeting.

Hon. Mr. Kerr: As I have just said, was a technical opinion based on the litt-

information our people had. We indicated that if the process was the same as we had experimented with at St. Lawrence Cement—which we indicated we are satisfied with—so fact we would feel the same way about the Peerless project. There was no other way we could answer that.

Mr. Cooke: Why in that process would you not have automatically contacted the local people—the local officials who are elected, the mayor and city councillor or at least the mayor and the pollution control director—telling them that Peerless Cement was considering this and that your opinion had been asked for by the Wayne county air pollution control division in Michigan?

Hon. Mr. Kerr: I would think this opinion was asked of us, first of all, before we were aware that the city of Windsor had great objection to it.

Mr. Cooke: But they could not object to something they did not know about; that's the problem.

Hon. Mr. Kerr: It was before the hearings were held in respect to the application. As you have indicated, the International Joint Commission, through its international Michigan and Ontario Air Pollution Board, would also have to review the proposal and report its findings to the commission. What we had indicated to the people at the Wayne county air pollution control division in Michigan was something that was quite preliminary, and the whole process of finally approving this had to go through a number of steps before there would be any burning or any approval of the project.

Mr. Cooke: But the fact remains—I'm not going to dwell on it—that your ministry gave its approval; whether you want to say carte blanche approval or not, it was a form of approval of the concept—

Hon. Mr. Kerr: Of the technology.

Mr. Cooke: —without even consulting the local people. I think that's the wrong process, especially when more and more of these applications are going to be coming up. If your ministry is going to develop any credibility, it is going to have to handle it differently to the way it did in Mississauga or Detroit.

While I'm mentioning Mississauga, why do you handle the Mississauga project differently to the way you handle the Windsor one? Why are you willing to go to Mississauga—

Hon. Mr. Kerr: We are not involved in the Peerless one. We were involved in the Mississauga one. Along with the federal

government and the Ontario Research Foundation, we were involved in the experimentation.

Mr. Cooke: The fact is there are 300,000 people living in Essex county who happen to be citizens of Ontario; you are the Minister of the Environment and it's up to you to make sure our environment is protected.

Hon. Mr. Kerr: Right.

Mr. Cooke: Therefore, I would think the same type of process should be followed in Windsor as was followed in Mississauga, which means you should have come down to Windsor. You still have not done that.

Hon. Mr. Kerr: No. I don't mind going down to Windsor—I'm certainly not going to go tonight; it's a little stormy out there—but, to me, there is no comparison between the two projects. We are involved. The ministry is involved in the experimentation at St. Lawrence Cement. What you're talking about is something that is going to take place in the United States.

Mr. Cooke: Near the border of the United States and Canada—only a very few miles from Windsor, the fifth largest city in the province.

Hon. Mr. Kerr: The point you may be forgetting is that up until now what has been suggested for Peerless Cement—if, as I say, it is similar to the St. Lawrence Cement project—is a safe manner of disposing of PCB-contaminated material. Therefore, there is no danger to the people of Windsor.

As a matter of fact, it will probably be better than dumping this material in the Detroit River or Lake Erie or by some other clandestine method that may be going on at the present time.

Mr. Cooke: Obviously, the proper destruction of PCBs is better than dumping them into the river.

Hon. Mr. Kerr: That's right.

Mr. Cooke: But the question remains: Is it a good idea to burn PCBs in the middle of a very highly-populated area?

Hon. Mr. Kerr: We're saying that it is acceptable in Mississauga, and Mississauga has 150,000 people and it's on the border of an area with two and a half million people.

Mr. Cooke: So the Mississauga project is going ahead even though you've scheduled public hearings.

Hon. Mr. Kerr: No, what I'm saying is that as far as my ministry is concerned—and we've now been involved in this for three

or four years—we have concluded that it is a safe method for the destruction of PCB material.

Mr. Cooke: But there are reservations in Mississauga.

Hon. Mr. Kerr: What are they?

Mr. Cooke: I don't know; I'm asking you. You're going ahead with public hearings.

Hon. Mr. Kerr: Because the people feel there are some reservations. We have a public hearing for a lot of projects that we feel are acceptable. If the public wants to make submissions and to have answers to technical questions, we'll have a public hearing.

Mr. Cooke: So what is the purpose of the public hearing?

Hon. Mr. Kerr: To answer questions.

Mr. Cooke: But not to make a decision. The ministry made its decision for Mississauga and you're going to be burning the PCBs in Mississauga.

Hon. Mr. Kerr: No, not unless there is a public hearing and there's a recommendation from the board that this program should go ahead.

Mr. Cooke: There are some questions with Mississauga or you wouldn't be having a public hearing and you wouldn't be waiting for a recommendation. Is that right?

Hon. Mr. Kerr: Have you read the legislation?

Mr. Cooke: I'm asking you a question that makes a lot of sense.

Hon. Mr. Kerr: The answer is no.

Mr. Cooke: So, despite the public hearings, as far as you're concerned, you're going to go ahead and burn the PCBs in Mississauga.

Hon. Mr. Kerr: No, not until there's a public hearing.

Mr. Bounsall: What you are saying then is that you will await the recommendation of the board. But you sound very confident that those burnings are going to go ahead and take place.

Hon. Mr. Kerr: We rarely approve a project if there's a recommendation against it by the Environmental Assessment Board. And if we go through the Environmental Assessment Act route, in that case the board has the power to make a decision. So if, as a result of those hearings, there's a recommendation against the burning of PCB-contaminated material, it's very likely that burning won't take place.

Mr. Cooke: So in Mississauga you decided to go this route. But in Windsor—before you had even gone through this route in Mississauga—you decided to give your blessing to this Peerless Cement application.

Hon. Mr. Kerr: No, we didn't give our blessing to the application in Windsor.

Mr. Cooke: I was at a meeting in Detroit and I'll tell you what one of your representatives said. If you don't call this a blessing, I don't know what the hell you can call it.

One of your representatives said it was overkill because of the protections of this particular application. There were so many protections against a fault or a problem ever occurring that it was overkill, he said. Now, if that's not giving blessing or approval to the project—and they made recommendations and suggested there wasn't a need for all these protections—then I don't know what the heck is.

Hon. Mr. Kerr: I wasn't at the hearings, so I don't know.

Mr. Cooke: I was.

Hon. Mr. Kerr: Who said it or what authority he had to say it, I couldn't very well tell you.

[8:30]

Mr. Cooke: He was representing your ministry, so I would have thought you might have been aware of what he was saying.

Basically, I want to say what you've done to Windsor on this particular application is that you've asked 300,000 people in the county of Essex to rely on authorities in Michigan to have their environment protected. I don't think that's the proper route to be taken. I think it was handled quite secretly and it came out. There should have been consultation before you gave your approval to this application in Detroit.

If the ministry doesn't develop a different process and a different philosophy of dealing with these types of things, the public is not going to have any confidence in your ministry and you're going to run into many hysterical citizens across this province who are going to over-react to applications for this type of thing in the future. And they will have the right to do it because they will have absolutely no confidence in the way your ministry handles things.

Mr. Hennessy: I think this is a political speech to some extent. Why don't you stand up on a soap box and give a speech?

Mr. Cooke: Go tell the people in Mississauga that you want to burn PCBs. I'd like to see what they'd say.

Mr. Makarchuk: As a matter of fact, maybe his place would be a good location, if you're looking for another site. You just recommended his place as a suitable site.

Mr. Bounsall: There must be a cement plant up at the Lakehead.

Mr. Chairman: One speaker at a time, please.

Mr. G. I. Miller: I was wondering how many areas such as the St. Lawrence Cement plant now are handling PCBs?

Hon. Mr. Kerr: I am not aware of any facility in Ontario that has a licence to burn PCB-contaminated material. That's why we are rather anxious to get one under way.

Mr. G. I. Miller: But you had been burning them at that cement plant since 1975. Is this correct?

Hon. Mr. Kerr: No. PCB was first burned in Mississauga at about the end of 1975 or early 1976. January 1976 was the time the certificate was issued. It was burned during that period for about a week. It was stopped so we could analyse and check the results of that burn; we had the results in September or October. It was burned again, using different mixtures; you'll have to get the technical people to answer this, but it was burned with different other types of waste material.

Also involved was checking the monitoring of stack emissions and the management and storage of the material. So there was a total of about 50 days of burning from January 1976 to April 1977.

Mr. G. I. Miller: How much was burnt up in that time?

Hon. Mr. Kerr: Have we got that figure? Roughly how much material was burned in that time?

Mr. Giles: I don't think we have the exact figure, Mr. Minister. We certainly could find it.

Mr. G. I. Miller: Could you make it available?

Hon. Mr. Kerr: Yes, I think it was in one of our submissions.

Mr. G. I. Miller: Are they now making PCBs?

Hon. Mr. Kerr: No. Monsanto was the only manufacturer of PCBs in the United States. We didn't have anybody in Canada manufacturing them. I understand they are no longer in that business.

Mr. Cooke: That's what you call a responsible corporate citizen.

Mr. G. I. Miller: Do you know, totally, how much is manufactured and how much is brought into Ontario?

Hon. Mr. Kerr: I don't know if these figures are relevant to you, Mr. Miller. There have been PCBs in all kinds of material for a number of years, particularly in electrical equipment: fluorescent lights, precipitators,

transformers and things of that nature; they act as a fire retardant and give long life to electrical equipment.

For a while back in the late 1960s, PCBs were used in printers' inks and things of that nature. We banned the use of PCBs in about 1970 or 1971 in all open systems, such as certain types of paper, certain types of inks, lacquers, varnishes and things of that nature.

We restricted the use of PCBs strictly to electrical equipment so there would not be the type of problem with disposal that could have existed if we had allowed their continued use in all types of materials in open systems where there could be some danger of contamination.

Mr. G. I. Miller: Are PCBs now allowed to be used by them?

Hon. Mr. Kerr: They are still being used in electrical equipment. We are working with the federal government in phasing out the use of PCBs, with the idea of an ultimate ban on the importation of PCBs which would involve the federal government. The new federal Environmental Contaminants Act has the power to do that. The problem right now is to find a safe substitute, an alternative.

Mr. G. I. Miller: Do they have one?

Hon. Mr. Kerr: They have not discovered one at the present time.

Mr. G. I. Miller: Then they are still being used, are they?

Hon. Mr. Kerr: They are still being used in electrical equipment.

Mr. G. I. Miller: Where are they getting PCBs?

Hon. Mr. Kerr: Up till now they have been getting them from Monsanto. They would have to import them from somewhere else if we allowed the importation to continue. I don't know what other alternative they would have. If they don't have a North American manufacturer, I suppose they will have to bring them in from abroad.

Mr. Bounsall: Haven't they stopped using PCBs in the manufacture of most new pieces of equipment that formerly contained them? Or is that impression of mine incorrect?

Hon. Mr. Kerr: My information is that it is still in particular electrical equipment. For example, Ontario Hydro says that if we don't have the type of PCB equipment we use in our transformers, there could be a breakdown in the generation of electricity.

Hydro has been told that the life of the use of PCBs in this province is limited. At

one point we were looking at the end of 1978; that's still a possibility but, unfortunately, Hydro still has not found, as I say, a suitable alternative. I would be interested in knowing, if there isn't any type of material or substance that will provide PCBs' effectiveness as a fire retardant and in giving this equipment some long life and safety, what is the alternative if they don't find a substitute? Do you want to comment on some of that, Mr. Turner?

Mr. E. W. Turner: I don't think I can add much more to what the minister has said. There are substances which are being sold as alternatives for PCBs but no single substance has all of the desirable properties of PCBs for applications in transformers and capacitors. In fact, that is the only use that is allowed by the federal government now under the Environmental Contaminants Act—in electrical equipment.

Hon. Mr. Kerr: You asked me a question, Mr. Miller. Did you want to know the amount that is being used now in the province?

Mr. G. I. Miller: Yes. I was just going to get back to that. You said it was not being sold or manufactured now and I wonder where they are getting this product.

Hon. Mr. Kerr: As you can appreciate, there is still a lot of equipment in place that would have this material. But I am advised that current inventories of PCBs in use in the province are estimated at about 25 million pounds, which will require disposal over an indeterminate period as PCBs are replaced with other materials. That's why it's important to have safe disposal.

Mr. G. I. Miller: Do you know how much is produced and how much waste has to be disposed of every years?

Hon. Mr. Kerr: It is about one per cent of 25 million pounds.

Mr. G. I. Miller: Per year?

Hon. Mr. Kerr: Yes. One per cent would come out of active use and have to be safely disposed of.

Mr. G. I. Miller: Then what would be the capacity of St. Lawrence Cement plant to deal with it, if this is an effective method of disposing of it? Could it handle it?

Hon. Mr. Kerr: One must remember that St. Lawrence Cement handles other waste material. The PCB material isn't the only type they are using; they are also using waste oils as supplementary fuel.

Mr. Haggerty: They are on a conservation program.

Hon. Mr. Kerr: They are. Right. It is a true form of recycling really. But I would say,

subject to correction, if that plant was utilized, that it would be able to handle most of what would be needed for disposal within the province.

Mr. Giles: That is my understanding.

Mr. G. I. Miller: In your opinion it has been successful in the experimental stages from 1975 to 1977. Is that correct?

Hon. Mr. Kerr: As much as you can put a product on the market, if you have research or you test or analyse or check everything, whether it is an automobile, an airplane or some type of product that is being sold in the open market or whether it is waste disposal, the experimentation is complete.

The team that was involved in this experiment has made eight recommendations of things that should be done before there is, shall we say, full-time approval for the burning of this material—such things as better monitoring facilities, improved storage and handling, the number of trucks that should be allowed on a daily basis, the question of intermediate checking, proper facilities.

Apparently the blend is very important. If this stuff is to be used properly as a fuel, and at the same time not cause any type of contamination, certain fugitive materials should not be included; so the material has to be checked to some degree. This type of thing.

It is a normal procedure, after having an experimentation period for as long as we have had for this, that there is an analysis and a report. The report recommends certain things; that, of course, has been submitted to the company.

Mr. Haggerty: Can you assure the members of the committee that there is no carcinogenic matter that could be emitted from the stack?

Hon. Mr. Kerr: No harmful carcinogenic material. I guess we could say that.

Mr. Bounsall: The only harmful material really is unburned PCBs. That is the problem. If something goes wrong with the burning and some of the PCBs get out of the stack, that is where you have your carcinogenic problem. It is the PCBs themselves that are carcinogenic.

Mr. Haggerty: Almost any oil is as far as that goes.

Mr. Makarchuk: If you drink it by the gallon.

Mr. Bounsall: But not in the sense that PCBs are. They are highly carcinogenic. The one worry is that they will get out in the atmosphere.

Mr. Haggerty: You have done research at the Ontario Research Foundation, and your own research staff has carried out some studies at the cement plant in Mississauga. The committee wants to be convinced that there isn't any possibility of carcinogenic matter being emitted from the stacks.

Mr. Cooke: I guess what the public wants is assurance that there won't be an accident, because that is when it is going to happen. I don't think you or anybody can give the assurance that there won't be an accident.

[8:45]

Mr. G. I. Miller: Can they be recycled? Can the PCBs be used again?

Hon. Mr. Kerr: No, it is a spent material. It is in a different form.

Mr. G. I. Miller: You say they are not importing any but they are still using it?

Mr. E. W. Turner: Most of it is recycled and reused in transformers. The material we are talking about is that which for various reasons has to be disposed of. It is usually material that is split or comes from a transformer that is taken out of operation and there is no further use for the liquid. That is the projected rate of one per cent per annum of the 25-million-pound inventory.

There is a possibility it could be recycled, but most of it is diluted in light oils that are used to wash out the equipment; and the best method of disposing of it is to destroy it thermally by some suitable incineration process.

Mr. Haggerty: Is there any charge-back to Ontario Hydro for disposing of this waste material?

Hon. Mr. Kerr: No, I wouldn't think so. Ontario Hydro has been disposing of some of this material in the United States up until now, I believe.

Mr. E. W. Turner: Ontario Hydro buys the material on an equivalent fuel basis from a supplier, which happens to have been Chemtrol in the United States. So the PCB material has gone from Ontario over to Chemtrol, where it has been blended suitably; then it comes back in an adjusted form and St. Lawrence Cement purchase it as a fuel.

Mr. Haggerty: Why can't Hydro dispose of it in their own plants, their own facilities such as the fossil-fuel plants?

Hon. Mr. Kerr: We don't have the same type of kiln or incinerator. It is a different type of incinerator, I would think.

Mr. E. W. Turner: There is some consideration being given. Ontario Hydro was

asked that question as to why they can't destroy the material themselves in their own power boilers, and this is being looked at. But it is a matter of having sufficiently high temperatures for a sufficiently long period of time to ensure the PCB is destructed.

Mr. Haggerty: I imagine it would be available in one of Hydro's boilers.

Mr. G. I. Miller: What is the heat requirement and for what period of time?

Mr. E. W. Turner: The recommended temperature is 2,600 degrees Fahrenheit for a period of 2.5 seconds. That is somewhat technical, but that is what it boils down to.

Hon. Mr. Kerr: That is hotter than most hot water you get, Gord.

Mr. G. I. Miller: What do Hydro's boilers produce?

Mr. E. W. Turner: I really couldn't tell you that at the moment.

Hon. Mr. Kerr: It would depend on Hydro's fuel process too, wouldn't it?

Mr. E. W. Turner: Oh yes.

Mr. G. I. Miller: It couldn't be utilized with coal, it would have to be utilized with oil. Is this what you are saying?

Mr. E. W. Turner: Yes.

Mr. G. I. Miller: You say Hydro is the one that utilizes the PCBs. What per cent would you say Hydro is utilizing?

Hon. Mr. Kerr: I would say Hydro is the one major user in Ontario. Wouldn't that be correct?

Mr. G. I. Miller: Do you know exactly? Have you got it down?

Hon. Mr. Kerr: It is electrical equipment, and I would think a lot of the PUCs in the province as well as Ontario Hydro. As I say, I believe it is used still in the manufacture of certain types of lighting such as fluorescent lighting. Isn't that correct?

Mr. E. W. Turner: Yes.

Mr. G. I. Miller: So when you break a bulb?

Hon. Mr. Kerr: What would happen if you broke a fluorescent light bulb?

Mr. E. W. Turner: It is used in the capacitors that are used to start the lights.

Mr. G. I. Miller: Again, it seems to me that Hydro have the control of the biggest percentage of PCBs. Should it not be their responsibility then to monitor and indicate what their needs are for disposing?

Hon. Mr. Kerr: Hydro knows there are certain safe accepted methods of disposal of PCB material or oil. They have been storing them to a certain extent at their plant at

Clarkston for transportation down to Chemtrol at Lewiston in the United States. I believe that still continues to be a disposal facility. What we are trying to do here, because of the great amount that is generated from Ontario and the concern at some possible date of being cut off from that site if Chemtrol goes out of business, for example, is to make sure there is an ultimate site available and that it is a safe method of disposal. The Chemtrol site involves a long haul and we are just concerned that everything is arriving safely at its destination.

Mr. G. I. Miller: You don't know?

Hon. Mr. Kerr: As far as we know, it is.

Mr. G. I. Miller: How much waste disposal is involved at the present time?

Hon. Mr. Kerr: I don't have that figure.

Mr. G. I. Miller: But you have indicated that a plant such as the one at Mississauga could handle the disposal of all of Ontario's waste PCBs.

Hon. Mr. Kerr: The St. Lawrence Cement plant could handle most of the PCBs generated at the present time in Ontario.

Mr. G. I. Miller: How much?

Hon. Mr. Kerr: There are around 25 million pounds in current inventories in use, and around one per cent of that is required for disposal.

Mr. G. I. Miller: What is that? I'm not a mathematician.

Hon. Mr. Kerr: It is 250,000 pounds.

Mr. G. I. Miller: Is there anything else that can't be recycled that is being dealt with as far as industrial wastes are concerned?

Hon. Mr. Kerr: You might look at the certificates. I haven't got the certificates in front of me, but they are burning waste oils, crankcase oil and that type of thing at the St. Lawrence Cement plant. Would the hydrocarbons include more than PCBs?

Mr. Giles: There are some which do not include PCBs which they have certificates to burn.

Mr. G. I. Miller: Is there any other plant in Ontario that is capable of burning PCBs or other pollutants?

Hon. Mr. Kerr: I guess Tricil in Mississauga is burning some types of oils and spent fuels.

Mr. G. I. Miller: What capacity are they running at?

Mr. Barr: I don't have the number of gallons or tons. Tricil also operate a similar incinerator in Moore township near Sarnia.

Mr. G. I. Miller: Are they running at capacity?

Mr. Barr: The one at Clarkson isn't running at capacity in accordance with what the company officials say. They could take more.

Mr. G. I. Miller: What per cent are they running at now?

Mr. Barr: Around 50 or 60 per cent capacity. I think the Sarnia operation still has reserve capacity. It takes other materials there for treatment, other than just incinerated wastes.

Mr. G. I. Miller: Forty per cent of the capacity is really not enough, is it?

Hon. Mr. Kerr: No. The problem with the plant in Mississauga is that as long as we have landfill such as Beare Road, which is much cheaper for disposal than hauling it to Tricil, the little producers of waste oils will use landfill.

Mr. G. I. Miller: Where is Beare Road?

Hon. Mr. Kerr: Beare Road is in Metro near the new zoo.

Mr. G. I. Miller: What is that one along the Queen Elizabeth Way at Clarkson?

Hon. Mr. Kerr: That's a landfill site.

Mr. G. I. Miller: Are they utilizing it?

Hon. Mr. Kerr: You mean near Southbourne Road?

Mr. G. I. Miller: I mean right there on the left-hand side.

Hon. Mr. Kerr: That's a landfill. That's only domestic, solid waste.

Mr. G. I. Miller: What area does that serve, then?

Hon. Mr. Kerr: That's Mississauga.

Mr. G. I. Miller: Not Toronto, just Mississauga.

Hon. Mr. Kerr: Yes It's a local. I think it's a regional facility.

Mr. G. I. Miller: The burning I think may be air pollution, or the air resources we are debating at the present time, is it not? How many plants are disposing of the burning at the present time, then?

Hon. Mr. Kerr: We have the burning waste oils—

Mr. G. I. Miller: From wastes and waste, period?

Hon. Mr. Kerr: Yes. Waste oils—there is the plant in Moore township and the plant in Mississauga. We closed down the one in Hamilton, so there are just the two.

Mr. G. I. Miller: You closed the one in Hamilton?

Hon. Mr. Kerr: Yes.

Mr. G. I. Miller: For what reason?

Hon. Mr. Kerr: They were polluting. We just fined them \$3,000 the other day for contamination. They did not have high enough incineration and they were not able to destruct the material they were incinerating. There was a bad odour and a great deal of smoke that was affecting the people of the beach strip in Hamilton.

Mr. G. I. Miller: Were they not able to overcome it?

Hon. Mr. Kerr: Apparently it cost what, a million dollars? The company was not prepared to spend that kind of money.

Mr. G. I. Miller: You don't give any assistance for this?

Hon. Mr. Kerr: We've got pollution abatement incentives that amount to about a quarter of a million dollars. That's the maximum figure, \$250,000. Is that right? Yes, under the Pollution Abatement Incentive Act that's been in since 1970 or 1971.

Mr. G. I. Miller: That 1971 one is a little higher than that.

Hon. Mr. Kerr: We also allowed the exemption of retail sales tax and we also have a loan program, up to \$250,000, that is administered through ODC. The federal government has the fast tax write-off for pollution abatement equipment and also there is the exemption of sales tax under the Retail Sales Tax Act. This includes production equipment, including pollution control equipment.

Mr. G. I. Miller: What do the feds contribute, then?

Hon. Mr. Kerr: The federal government is involved, I guess, in the corporations tax in allowing fast write-off for pollution control equipment, fast tax write-offs in their book-keeping to depreciate more quickly.

Mr. G. I. Miller: They don't have any direct grants or make money available for this type of thing?

Hon. Mr. Kerr: No, not the federal government.

Mr. G. I. Miller: You said we had discussions with them?

Hon. Mr. Kerr: Yes. They said that it should remain provincial because the situation varies from province to province. We have trouble getting them to stick in with the fast write-off.

Mr. G. I. Miller: Is it right, then, that they are bringing PCBs in from other provinces?

Hon. Mr. Kerr: We're bringing in PCBs?

Mr. G. I. Miller: Yes. Into Ontario from other provinces.

Hon. Mr. Kerr: You mean they are hauling their waste material? I think it was just re-

cently that there was a spill in Saskatchewan and some of that ended up in New York for disposal. That shows you how many safe disposal facilities there are and why there is such a need for more.

Mr. G. I. Miller: Are they being stored here, though? Were they all disposed of, or are they stored here from other provinces? [9:00]

Hon. Mr. Kerr: My information is that they go to the facility in New York. I am not aware of any storage here. I would think they would go to the ultimate disposal site.

Mr. G. I. Miller: Don't you think it should be the federal government's responsibility to provide some disposal? Why should we take it in Ontario? Concerning the extreme danger that this provides, do you not think the federal government should have some responsibility?

Hon. Mr. Kerr: All I am aware of so far is that PCB material was hauled from Saskatchewan to New York. I suppose as long as it was done safely and properly, we had no objection to those trucks travelling over our highways, until it reached its destination. It was not disposed of in Ontario, so it's not a question of our handling Saskatchewan's waste.

Mr. G. I. Miller: Whose responsibility is it, then, for inspection of this transportation?

Hon. Mr. Kerr: We are responsible. Also federal regulations of the Department of Transport regarding interprovincial trucking would have to apply to a situation like that.

Mr. G. I. Miller: It points out one more time that when you get it on the road and have to transport it long-distance, it can be a danger to any particular area.

Hon. Mr. Kerr: If it isn't transported in proper trucks. I would assume it has to be enclosed in a tank type of trailer operation. It can't be an open flat, or whatever they call it.

Mr. E. W. Turner: Either in a tank truck or in drums which are sealed and appropriately handled.

Mr. G. I. Miller: Is your ministry notified of such movement of materials? You are kept up-to-date on that?

Hon. Mr. Kerr: We were notified. I believe there was an inspection of that particular shipment at either Thunder Bay or Kenora, and another one in St. Catharines.

Mr. G. I. Miller: Now that's where you had the spill there.

Hon. Mr. Kerr: There was a spill there, and I believe we have laid some charges against that particular trucker. Is it because

of failure to notify us, or failure to clean up after the spill?

Mr. G. I. Miller: Do you not feel, then, Mr. Minister, that the federal government does have some responsibility?

Hon. Mr. Kerr: Yes, for example, I would think in any interprovincial or international transportation of PCBs, the federal government should become involved. I think, as you know, Mr. Snow was asked a question in the House a while ago about the safe transportation of toxic contaminants of that kind. We have passed legislation under our Highway Traffic Act regarding transportation, but we need the federal government to also supersede that so that it covers interprovincial transportation. He has asked Mr. Lang for that and I understand it is forthcoming. That is why he introduced some recent amendments that would sort of put our house in order as far as that type of transportation is concerned.

Mr. G. I. Miller: What about matching financial assistance? Would you think of any requests, in your opinion?

Hon. Mr. Kerr: No, you see, this is a situation where you're talking about material that is being generated in the private sector. They're using it in business to manufacture material or use it in some form or another. Our role should be mainly regulating and monitoring and imposing conditions and requirements for disposal and haulage. Instead of that, we find ourselves involved in worrying about safe disposal sites and the experimentation of disposal in cement kilns and things of that nature, because we haven't absolute faith that the private sector will properly dispose of the material, because we have incidents where it hasn't been properly disposed. Why should the taxpayers of the province subsidize private industry in disposing of something that it should be looking after itself?

Mr. G. I. Miller: Why? Because we can't utilize the fish out of our streams. We can't go in and fish in our lakes. I think it is of concern to the public as a whole. But obviously you don't think that the feds should have any responsibility.

Hon. Mr. Kerr: The feds have a definite role to play in the importation of PCBs into Canada and the interprovincial or international transportation of PCB material.

Mr. G. I. Miller: You are making money available through your ministry—

Hon. Mr. Kerr: Right. To assist companies to get into activities of this kind. That is right.

Mr. G. I. Miller: And you say up to \$250,000?

Hon. Mr. Kerr: Yes.

Mr. G. I. Miller: But no more.

Hon. Mr. Kerr: That is the level. It is supposed to be loans mainly for small companies.

Mr. G. I. Miller: Do you not think that if there were a matching fund from the federal government you might get a better deal on disposal of this material in the industry?

Hon. Mr. Kerr: The problem is really not money. We have ODC, as you know. We have our program. There is always money. The problem is getting approval to establish these facilities.

Mr. G. I. Miller: I don't know. You have been observing it too, and it is a matter of gaining the confidence of the people, that they will accept that it is not going to be a hazard to them. I think this is the goal. If we don't show confidence and listen to the people, I don't think we are going to gain it. We just can't go ahead and force ourselves into areas where they don't want it. I think there are other alternatives, such as have been stated tonight. But you are the minister. We are the opposition and we can only suggest and hope it will be picked up from there.

Hon. Mr. Kerr: As I say, if we know of any company that wants to get into this type of disposal, to create and operate this type of facility, and can't do so because of lack of funds, we will do what we can to help them, assuming it is a proper system.

Mr. G. I. Miller: You said that in Hamilton: if they spent \$1 million, they could bring it up to the proper standard. Right?

Hon. Mr. Kerr: That is a company, too, that if it wanted to, could spend \$1 million. But that is a decision of that board.

In a situation like that, where the company has the wherewithal and makes a business decision not to go ahead and spend that \$1 million, I don't see that it is a reasonable role for government to invest \$1 million in a situation of that kind. For example, I don't think ODC, with its criteria and conditions, would approve a thing like that.

I might add—and it might be of help to you—the same group that is involved is now out of the incineration process and is in the fixation process, the solidification of industrial liquid waste I was explaining to Mr. Charlton.

Mr. Makarchuk: They are also involved with the Tiger Cats.

Hon. Mr. Kerr: Right. I hope they have more success with fixation. Right now it looks as if they are going to be very successful with that process; it solidifies the material almost as a hard crust and it looks as if it is possibly an even better method than incineration. But that experiment isn't through yet, so I am not able to comment authoritatively.

Mr. G. I. Miller: Again, you are well aware of the hearings that are taking place at present. The thing that concerns me is that it was indicated by the chairman in a write-up in the Globe and Mail on Wednesday, November 30, that the site at Nanticoke is a farm in the middle of nowhere. I say that is not in the middle of nowhere. It is within a mile of the Nanticoke Creek, where there is a water intake that is intended to supply water to a huge area.

We really don't know what it is going to supply. Yet you say we can't spend \$1 million to create a plant so we can dispose of it where they are producing it rather than trucking it to a new area to pollute a new stream of water. I don't say it is going to pollute it, but it is a possibility when you get it there. Why shouldn't it be dealt with in that direction rather than being put out into "nowhere," as it is indicated my area is, and starting a new source of pollution?

Hon. Mr. Kerr: There is a bit of an anomaly. We have been criticized because we are putting something in a highly congested area and we have been told we should put it up in Moosonee or some place, where there are no people. As you say, there aren't a lot of people at the site in Nanticoke. But it is an industrial area; as you know, it is going to be the heart of the new industrial area on the north shore of Lake Erie.

Mr. Haggerty: You have the former Treasurer's dream there, the new Townsend site for 350,000 people.

Hon. Mr. Kerr: Sure, there's Townsend; but there's also Texaco, Stelco—

Mr. Haggerty: You frighten them away with your proposals of waste disposal in that area.

Hon. Mr. Kerr: Oh, no. They don't even know about it.

Mr. Haggerty: You've killed his dream.

Hon. Mr. Kerr: No, it is right in the centre of that new industrial complex. I would suggest this is sub judice to some extent because the wind-up of that hearing is to

take place this week. I don't want to pre-judge—

Mr. G. I. Miller: I don't want to either. I have never made any statements at the hearing. I have never been involved in it. I don't want to be accused of being political, which I think you hinted to me one day when we had a little discussion in the House.

Hon. Mr. Kerr: That was the other one.

Mr. G. I. Miller: Okay. But I say we have a problem. I don't think we should be expected to take all of Ontario's industrial waste in a new area, if we have to look after our own.

There hasn't been any indication that there is going to be any great need for that particular industrial area to get rid of the waste. I say they should do it on their own site. They have plenty of land, and that is where they could deal with it. But let's not have all of Ontario's waste in one area.

Hon. Mr. Kerr: I don't think you will find there is any intention of taking all of Ontario's waste there.

Mr. G. I. Miller: That is the first one that is going to be established; and if you get it there, it is going to attract more.

Hon. Mr. Kerr: There are two sites, one in Moore township and one in Mississauga. There are two incinerators in operation there now. They are also still disposing of waste in landfill. St. Lawrence Cement is still handling and burning a great deal of industrial liquid waste.

Mr. G. I. Miller: Encourage them to deal with the waste in that matter. Are you going to have a plant that is only running at 40 per cent, which is not efficient, in Mississauga?

Hon. Mr. Kerr: Once Beare Road closes down, that material would go to the Mississauga plant. Tricil is in the business of transportation as well as disposal, and much of what it collects through transportation from these generators and users goes to Beare Road. That would have to go to one of their plants, either in Mississauga or in Moore township.

Mr. G. I. Miller: Have you had consultation with the disposal industry generally to see if you can encourage more to be dealt with by plants such as the one at Mississauga? Have you had them together?

Hon. Mr. Kerr: I had a chance to meet with the industry this fall. Their concern, of course, is the closing of the Beare Road site. We have made it quite clear to them that we are not satisfied with the continuous disposal at Beare Road. At any event, Metro

council has indicated it wants to close that site right away. It is now scheduled to close some time next year. So unless we find other landfill sites there is no alternative but to go to facilities such as those of Tricil in Mississauga and Moore township. There is also the possibility of deep-well disposal in that area.

[9:15]

Mr. G. I. Miller: My final question would be whether you think that recycling, incineration and the use of existing facilities could deal with all our industrial waste which is produced?

Hon. Mr. Kerr: We just have not got those facilities at the present time. The one in Mississauga, as you know, will be subject to environmental hearings. The process in Hamilton; that experiment still has to be completed. The problem of opening up new sites, of course, is that wherever you do it there is local opposition subject to long hearings. They are getting so long and expensive now that many of the proposers are backing off.

Mr. G. I. Miller: I'll give somebody else an opportunity to speak, Mr. Chairman.

Mr. Makarchuk: I just wonder, in effect, what your problem is, Mr. Minister. In the first place it appears you always try to cope with the problem after it develops instead of trying to catch up to it or to be ahead of the problem.

What puzzles me about this whole thing is that you have not got the audacity, shall we say, or the mentality of old C. D. Howe. When he was looking for somebody to build an airline, he approached our indigenous capitalists. When he found that none of them would do it, he then set about establishing an airline himself which, incidentally, is still operating and operating very well.

Hon. Mr. Kerr: What's the name of that airline?

Mr. Makarchuk: Air Canada, for your benefit.

Mr. Haggerty: And it runs at a deficit.

Mr. Makarchuk: If you want to argue that point, you could cut out the non-profit flights to various areas and you would not have deficits.

What puzzles me is that if you take the firm in Hamilton, probably the only reason they did not go ahead is that there was not a chance to make a profit. If they knew they could make a profit they would bloody well go ahead with it. So would everybody else.

Why don't you sit down either with some of our indigenous capitalists and discuss this,

or ask for proposals to build a disposal plant? Possibly they would operate them if you guaranteed certain things or certain levels of profits in a joint venture between yourselves and government.

It seems to me you are running, in effect, an ad hoc operation in waste disposal right now. There is a great deal of suspicion as to where some of these wastes are dumped—there is still the roadside; the guys go out at night and they are not going to drive a few hundred miles et cetera—and these kinds of things are going to come back to haunt you some time.

You can't afford to fool around with waste disposal as you have been doing up to this point. You bring it in one place, you get talked out of it in another place and for good reasons, and the people get concerned because they don't know what's going on—and here you go.

At this time, as far as I can figure out, you have no concrete program to take care of the waste. The PCBs are going to be around and you have not got any place to put them. You are going to shove a little here, a little there and in the process you might incinerate 15 or 20 per cent. I just wonder where the rest of it is going and where it will eventually filter into. Into what life streams will it go?

What's the matter? Forget about your ideological hangups. That's the difference between the socialists and the private enterprisers: we don't have these ideological hangups. Sit down with industry, if necessary, and say: "We'll work out some plan or"—

Hon. Mr. Kerr: We'll nationalize St. Lawrence Cement.

Mr. Makarchuk: No. That's what I mean. You have that ideological hangup. That's a good example of the rigidity of your thinking, shall we say, or the blinkers you have on your eyes. You could sit down with industry and say: "Okay, let's build a plant." If we have to, let us ask industry for proposals—what they would require to build and operate a plant. If it can't be done that way, look at other options: a joint venture, or, if necessary, go into it yourself.

You are going to have to deal with this problem. You can't keep fooling around with it in the way you have been doing, because the people in this province eventually may start suffering. It's the old ticking time bomb that somewhere is going to come to roost with you.

You said you'd discuss it with industry. Exactly why is it industry is annoyed? Are they not sure of the fact that, if they built a plant, the materials are going to get to them?

Is that part of the problem? You have a little influence with Ontario Hydro; you probably could use influence in some other areas and perhaps make it a viable operation—if not viable, at least a break-even operation. What's the feeling against using this type of approach?

Hon. Mr. Kerr: We have used this type of approach. I think it's important not to oversimplify this.

Mr. Makarchuk: It's also important not to over-complicate it either.

Hon. Mr. Kerr: It is very complicated. This ministry was responsible for getting CIL, which is now Tricil, established in Mississauga. The idea was that this company was going to build a plant to deal with industrial liquid wastes. The plant was opened about 1973 or 1974 and the idea was they were going to build the plant in stages so that ultimately they would be able to handle just about any type of industrial liquid waste.

I forget how much they have invested so far. I think they spent roughly a couple of million dollars building a plant there before they moved into the second stage. I might say at that time, it was part of the—could you not keep a little order, Mr. Chairman?

Mr. Chairman: Yes, sir. We're listening very attentively.

Hon. Mr. Kerr: The plant, for example, is on Crown land; the land where it is located is land attached to our sewage disposal plant in Mississauga. So we facilitated the location of that plant for the company. Ultimately, the idea would be that once the plant is built to a certain degree and with a high level of efficiency, they may become part of the sewage disposal plant in some way; that is, assuming there is sufficient pre-treatment so the waste could be part of the sewage treatment and ultimately the receiving water.

After they built the first stage and the plant was in operation, they found they weren't making money. They weren't getting the volume of waste that is being generated in the area, because they had to charge more, for example, than was being charged in a landfill site. A lot of it was being exported. Some of it was going to the Interflow plant in Hamilton. As a result, they weren't getting the volume necessary even to break even.

We were also concerned whether or not there was some other type of plant disposal design. We started a waybill system and brought in regulations whereby these truckers have to indicate where they are picking the stuff up, what it is, where they are hauling it to and the ultimate disposal. Now we have a better control over this material. As a

result, I understand Tricil's volume has increased substantially since we imposed that type of system.

We have attempted certain types of deep-well disposal in the Lambton county area which has been considered safe by our ministry and others who are technically knowledgeable. We attempted to open one well in Kent county, I believe, but that was turned down by the local council. We attempted to open up one in Haldimand-Norfolk, Cayuga, but that was turned down by the local people and council there.

We are now working, in the manner you described earlier, on a joint venture with Tricil for the operation of deep-well disposal in the township of Moore in the Sarnia area. This is a Cambrian type of well—something of the same formation that would be proposed in Canboro. I used the expression "halfway to Peking" in the Legislature, but they're somewhere between 4,000 and 5,000 feet deep. Our people say, with proper pre-treatment, proper disposal and proper monitoring, this is a safe method of disposal of industrial liquid waste.

Mr. Haggerty: Tell them that in Port Huron.

Hon. Mr. Kerr: But that was the Detroit formation. That was the shallow well; that wasn't the deep Cambrian formation. Don't mix them up. We just closed the Detroit well in the Sarnia area, because the life had run out on that well. To some extent, that has compounded our problem with certain types of industrial liquid waste.

We'll be involved in a type of application there, where there will be environmental assessment hearings, there has to be rezoning and we have to deal with the local council. It's a long process.

As you can appreciate, nobody wants this material in their own backyard. That's why it's a little disconcerting when we do find a facility that is shown to be technically and scientifically safe as a result of experimentation, and it is opposed. We are a little frustrated because we have the answer but then we find there's still local opposition.

There's a point beyond which you can't go in terms of assuring people. I can't say there won't be an earthquake in Moosonee tomorrow; there's no certainty of that.

Mr. Makarchuk: I'll guarantee you that.

Hon. Mr. Kerr: That's the type of absolute guarantee people are demanding and they can't get it.

Mr. Makarchuk: Right. But that is a problem of your own creation, Mr. Minister. There used to be a time when people would attri-

bute to the government or the government man a certain degree of credibility. But you have created a problem in the province. People just can't believe you. That's one problem, but we're not going to argue about that one.

The other problem, of course, is that you say it's quite a complicated process; but if you can put a man on the moon I'm sure you can devise some means to get rid of waste safely without harming the environment. We've got a well here, an assessment there, a plant over here and so on but it seems to me you're running all over Ontario trying to do something about it. At the same time you've got all sorts of truckers running all over Ontario with rather dangerous substances or liquids, and they're also trying to do something with it.

I get worried about what you're doing. It seems to me that somewhere you'll seriously have to start putting your foot down—and that would mean some government involvement. It may cost the taxpayers extra or we may have to charge Hydro for disposing of their waste, a cost that would be reflected in rates. But if you explain to the people what you're all about and what you're doing, I think they'll be prepared to accept it because, despite the fact that the environment may be low-key in many cases, it's high-key in terms of being in the conscious mind of a heck of a lot of people. They're still concerned about it.

Hon. Mr. Kerr: Even with explanation, it is sometimes still difficult to solve.

Mr. Makarchuk: Sure, because they've reached the stage where they say they can't trust these buggers. Basically, that's what it comes down too.

Hon. Mr. Kerr: That's just your opinion.

Mr. Makarchuk: Listen, if they trusted you they wouldn't squawk.

Hon. Mr. Kerr: It's not a question of trusting. It is a question of trusting the process, trusting the facility.

Mr. Makarchuk: Who runs the process? Who implements the process? Who approves the process? Who is supervisor of the facility? It's the government.

Hon. Mr. Kerr: Where has it gone wrong?

Mr. Makarchuk: I'm not sure. I'm not arguing this point.

Hon. Mr. Kerr: You just made a statement. Why don't you back it up?

Mr. Makarchuk: The statement I made is that people do not trust the government.

Hon. Mr. Kerr: Why?

Mr. Makarchuk: Do you want me to give you a whole litany of reasons? We could start with regional government. You said it was going to cut taxes, provide better service and provide better government. It hasn't done any of those. That's one example. Do you want me to give you other examples?

Hon. Mr. Kerr: They trust us a hell of a lot more than they trust you.

Mr. Makarchuk: Maybe you're right.

Hon. Mr. Kerr: We're the government, which is something your party will never be.

Mr. Hennessy: That's right.

Mr. Makarchuk: I'm not sure whether it's a matter of trust or that you have more money to spend in deluding them.

Hon. Mr. Kerr: Don't overrate yourself.

Mr. Cooke: That's not talking about the issue.

Hon. Mr. Kerr: Neither is he.

Mr. Chairman: Let's have a little order here.

Mr. Makarchuk: My next item, Mr. Chairman, is on water resources. Are we completed with air?

Mr. Chairman: We're still on hot air. Mr. Gaunt, please.

[9:30]

Mr. Gaunt: You mentioned the Tricil plant. The government was involved in that. I think the Ministry of the Environment was involved as far back as 1971 when the province purchased the 50 acres out in Mississauga for this plant.

Hon. Mr. Kerr: We had the 50 acres; we owned that land.

Mr. Gaunt: You owned it but allowed them to build a plant on it.

Hon. Mr. Kerr: Right. We gave them a lease on the land.

Mr. Gaunt: And that plant was designed specifically for liquid industrial wastes?

Hon. Mr. Kerr: That's right.

Mr. Gaunt: About a year ago it was operating at about 40 per cent. Is it doing any better now?

Hon. Mr. Kerr: Is it any better now, Mr. Turner?

Mr. E. W. Turner: They are at about 50 per cent at the moment.

Mr. Gaunt: Has the waybill system improved the delivery system to the plant? We discussed last year at some length the problems of companies dumping their wastes here, there and all over the place, even down the sewer, rather than pay 10 cents a pound to have it transported. They'd sim-

ply get rid of it the easiest, quickest and cheapest way they possibly could. I think the waybill system has assisted in coping with that problem.

More than \$2 million has been invested in that plant up to the present time, I believe. Why is it, with all the industrial wastes we have around, we are handling only 50 per cent? There is about 20 million gallons a year of industrial waste produced. Why is it that we can't get the plant up to capacity? I am sure that at one point Tricil was almost going to give up the ghost. It did not consider it economically feasible to carry on because the capacity of the plant was much greater than the volume of waste being processed. Why is it that we can't get it up?

Hon. Mr. Kerr: Because the tertiary stage of the plant can handle only certain types of industrial liquid waste. It can't handle all of it. It can't handle PCB-contaminated material, for instance—hydrocarbons of that kind. Very toxic types of waste can't be handled there. They have tried it and we have stopped them because of the local complaints. The incineration is not high enough. So that type of material now is going to landfill.

Secondly, as you imply, the cost of disposing of the industrial liquid waste at Tricil is much more than hauling it to Beare Road landfill sites, for example. Metro doubled its fees about eight months ago, but still there is a difference of between 12 and 24 cents or something like that. Naturally small haulers and small generators of waste material—waste oil, industrial liquid waste—are still using the cheapest method of disposal.

When the Beare Road site closes, which will happen early next year—that's the timetable now—that material will have to go to some other site. For example, Tricil is very big in the hauling business as well as in disposal, as you know. I think I said about 40 per cent of what Tricil hauls cannot be handled at its own plant. They are hauling it to Beare Road. When Beare Road closes—and, hopefully, we get this deep-well disposal facility operating—there will be pretreatment at Tricil in Mississauga and deep-well disposal in the Lambton area. They will be able to take all the material that goes to Beare Road for disposal in their own facilities; then, if course, they would be generating the volume you are talking about that will make it economical. This to some extent reflects the marketplace. Tricil, as far as I am aware, has not made money at the Mississauga plant for the last two or

three years because of the reasons you have pointed out. That's why they have not been moved into the final stage as was expected when the plant was first located there in 1973 or 1974.

Mr. G. I. Miller: Is Tricil a Canadian plant?

Hon. Mr. Kerr: Yes. It is a subsidiary of CIL. I believe it is a totally Canadian operation as far as its board is concerned. It's a very big operation. You probably know, they have bid on the contract in Hamilton for the disposal of regional waste there, and they have another plant in Kingston where they handle strictly solid waste, garbage.

Mr. Gaunt: Do you think we should look at liquid industrial waste in the same fashion as we look at municipal sewage? That is, should we regulate it and have specific requirements for its disposal in the same manner that we have for municipal sewage? If that were done, we would be making some progress, would we not?

Hon. Mr. Kerr: That is what our friend here, Joe Trotsky, was talking about a minute ago.

Mr. Makarchuk: It's Leon Trotsky.

Hon. Mr. Kerr: I am not talking about the big fellow. I'm talking about his kid brother.

That is the type of decision that may have to be made. I don't want to make that decision now. I still think it's the private sector's responsibility. It is generating it and you damn well dispose of it safely. The more we get them under our rules and regulations, the more they are going to start looking at recycling some of this material so that it doesn't leave the plant. They can reuse it such as large refineries are doing at the present time, such as Polysar intends to do—refine spent liquids and keep them out of the general environment.

We are talking a minimum of \$20 million to \$25 million for the type of thermal destruction that is required to handle all types of toxic industrial liquid waste. For us to build a plant, we would have to build a number of them. We couldn't have them all centred in Toronto or Hamilton; otherwise there would be a great deal of long hauls involved in getting this material to the plants. If we charged a fee that would at least look after the operating expense, it might be a general cost to the taxpayers of the province. If it is too high an expense, the trucks won't make the plant. It would be too costly, as has been implied here, in spite of our regulations unless we get an army of inspectors

going around at all hours of the day and night.

Right now, the private sector has indicated to us it is prepared to make that investment if we have proper rules and regulations and if it can overcome the local opposition that is created every time it wants to locate or establish a facility.

Whether or not it would be easier for the government to go into some parts of the province and build these plants rather than private industry, I am not sure. We have just been told that nobody trusts us. Maybe it is not going to be any easier for us to do that than the private sector.

You are looking at an expensive new policy of government. In building sewage treatment plants and water filtration plants, which are very basic to the operation of a community, you can charge the cost of that back to the home owners, to the users, but I don't think the same thing would apply in the industrial liquid waste sector.

Mr. Gaunt: It should apply, though.

Hon. Mr. Kerr: I don't think it could.

Mr. Gaunt: I was thinking more in terms of the government co-operating with private industry.

Hon. Mr. Kerr: We are doing that. We are co-operating too much, as a matter of fact. We are in conflict, supposedly, with our environmental hearing legislation and stuff like that because we assist the industry.

All we are doing is trying to assist the industry to the point that we say, "This is the type of facility that is needed. You decide where to locate. You have to get approval of that location and approval of the process." But we use the technical people within our ministry to assist some of these operators, because they don't have the background and expertise that exists within the ministry. We know what will be acceptable and what won't be acceptable from the point of view of the process, standards and criteria, so we are assisting in that way.

We are also assisting financially with the process in the Sarnia area. We will be getting involved in a contract with this company where we will help finance the actual drilling of that well; assuming it is approved, and that the hearings and the rezoning go ahead, we will contract out to various operators the operating responsibility of that well.

Mr. Haggerty: What's the cost of boring a well?

Hon. Mr. Kerr: It's about \$1.5 million to complete an operation like that, isn't it?

Mr. Barr: It's about \$100,000 per well.

Hon. Mr. Kerr: I mean the whole pre-treatment.

Mr. Barr: About \$2 million.

Mr. Haggerty: And there's no charge-back to industry?

Hon. Mr. Kerr: Oh, yes.

Mr. Makarchuk: If you're lucky you might strike oil.

Hon. Mr. Kerr: You would be charged for disposing of it.

Mr. G. I. Miller: There's a good chance you could make some money too.

Mr. Gaunt: Let me leave that part. We were talking about PCBs earlier in the evening. The ministry basically has adopted the point of view that burning is the only safe way in which to handle this material. Early in 1976, I believe, Environment Canada announced a breakthrough in the fight against PCBs. I understand that a research scientist at the Canada Centre for Inland Waters in Burlington discovered a new strain of bacteria which, when applied in a special way, destroys the non-biodegradable PCBs. That was last year. I understood this new technology was a major breakthrough and not only Environment Canada but the ministry here was going to take some action and try—

Hon. Mr. Kerr: We were enthusiastic. Wasn't that the phrase?

Mr. Gaunt: You were enthusiastic. But all of a sudden the enthusiasm has—

Mr. Makarchuk: When the bugs found out the Tories would be in charge, they quit.

Mr. Gaunt: All of a sudden the enthusiasm has dissipated. I haven't heard any more about it. All we know now is PCBs are going up in stacks or in smoke.

Hon. Mr. Kerr: I was going to say they took that fellow away in a white jacket, but it's not true. Mr. Turner, do you want to comment on that?

Mr. E. W. Turner: Mr. Chairman, it's true that a process was developed in the laboratory at CCIW which destroyed PCBs in small quantities or concentrations in aqueous media—in water, in other words. The process is not developed to the point where it's commercially viable. In other words, it's not available in commercial application as yet.

Mr. Gaunt: Is there any indication when that will happen?

Mr. E. W. Turner: None, to my knowledge.

Mr. Gaunt: It's in the infant stages then?

Mr. E. W. Turner: The very infant stages.

Mr. Gaunt: It has moved from the embryo to the infant stages in the course of a year. Is that accurate?

Mr. E. W. Turner: That might be a fair assessment of the situation, yes.

Mr. Gaunt: When are we going to get to the point where it's commercially viable?

Mr. E. W. Turner: I can't answer that. I don't know.

Mr. Bounsall: Is work still progressing on it? Are you still doing research?

Mr. E. W. Turner: I don't think so. I haven't heard of anything going on recently. I don't want you to say that, because I don't really know.

[9:45]

Mr. Gaunt: This research is undertaken mainly by the federal government, Environment Canada. Is that so?

Mr. E. W. Turner: That's correct.

Mr. Gaunt: And you haven't had any recent contact with them with respect to the progress in this?

Mr. E. W. Turner: I haven't personally. Some people in our ministry have.

Mr. Gaunt: It was announced as a very major breakthrough and we should be keeping a close track on it because it could have a major application here, particularly with the problems we've encountered with the burning process in Windsor and Mississauga.

Hon. Mr. Kerr: There are always two or three experiments going on at the same time. There was an experience with the Wetox program at the Ontario Research Foundation. There is the solidification process. There is the experimentation going on at CCIW which, I would think, would have to move from that stage to an actual operating stage somewhere; in other words, it would have to actually take a quantity of material. That's in addition to Environment Canada's involvement in the St. Lawrence Cement experiment; it was their initiative that started the St. Lawrence experiment, by the way.

Mr. Gaunt: Is it possible to get an update on that particular experiment with the use of bacteria at the federal level?

Hon. Mr. Kerr: Yes, we can get that for you.

Mr. Gaunt: The other matter is that I noticed in the annual report that approximately 11,000 cars were examined under the vehicle emission section and that, in addition, 1,150 cars were checked at 130 used car dealerships. Then it goes on to say:

"Automotive inspectors undertook regular highway patrols with the Ontario Provincial Police to make visual checks of truck exhaust emissions in 1976-77. This program resulted in 573 charges and 418 convictions under the Highway Traffic Act."

It doesn't mention anything about cars. All the charges and convictions were with respect to trucks. What happened with respect to the 11,000 cars checked? Do you not charge car owners or car dealers?

Hon. Mr. Kerr: Certainly. That includes motor vehicles as well.

Mr. Kerrio: A lot of buses haven't been charged either.

Mr. Gaunt: It's on page 9.

Hon. Mr. Kerr: I realize that. The first paragraph mentions that "in addition, 1,150 cars were checked at 130 used car dealerships to ensure there were pollution control devices on vehicles offered for sale." In addition, approximately 11,000 cars were checked. That's in the first paragraph. Okay?

Mr. Gaunt: But there were no charges laid.

Hon. Mr. Kerr: There were 19 vehicle prosecutions; so that would include both cars and trucks.

Mr. Gaunt: Nineteen out of the 11,000?

Hon. Mr. Kerr: Yes. Mr. Jefferies, do you want to give the details of that?

Mr. Jefferies: Mr. Minister, we do have two entirely separate operations and both of these types of operations were mentioned in the resumé.

The first type of operation the member mentioned was the operation with regard to trucks. We don't operate here under the Environmental Protection Act. We assist the OPP under the Highway Traffic Act. The OPP prefer charges against the trucking companies. I'm not quite sure of the exact figures but we have had several hundred charges.

The other situation is with regard to automobiles. Here again we have two types of operations. In one we check automobiles on the road for compliance with the provisions of the Environmental Protection Act. In addition, we visit dealerships, again to ensure there is compliance with the provisions of the Environmental Protection Act.

With regard to the 11,000 vehicles that were checked on the roads, the police stop these vehicles and our inspectors check them for compliance. We have approximately three court cases per week that come out of that. The vast majority of the vehicles—about 95

per cent—do comply. About four to five per cent of the vehicles we check are not in compliance.

We don't lay charges straight away. The reason for this is that the average motorist is not really aware of what's under the hood of the car; so we give him three or four weeks in which to get the vehicle fixed up and in compliance with the provisions of the Act. If he refuses to comply, we have to take further action, and that results in court action. We get about three to four prosecutions per week on that.

Mr. Gaunt: You do a recheck of those people, the four to five per cent of vehicle owners who have not complied. You give them a period of grace and then you do a recheck. Is that right?

Mr. Jefferies: That is correct. They are issued with what is called a violation notice. A violation notice explains what is wrong with the vehicle. They are given three weeks in which to bring that vehicle back to our test centre for a recheck. If they do not come back for a recheck or if they refuse to come back, then we have to take further action.

Mr. Gaunt: Fine. I understand that now, because I was concerned that the only charges and convictions which were resulting under this particular program were against trucks while cars were getting off scot-free, but that isn't the case.

The last item I want to raise under this particular section is the matter of acid rain. I know this is a very difficult problem for the ministry because it's so difficult to track down. It has been indicated that some of the coal plants in Alabama are the cause of some of our acid rain up here. They have been able to chart the wind channels. It has been established, I gather fairly firmly, that some of those plants down south are the cause of the acid rain falling here in Ontario over our Great Lakes region.

I understand that some three million tons of sulphur and sulphur compounds are emitted each year in Canada, 47 per cent of it by primary copper and nickel smelting operations. Sulphur pollution adversely affects about six million acres of land, 50 per cent of which is in the Sudbury region. Also, sulphur pollution deals heavily against the forest industry, costing, I understand, between \$1.2 million and \$2.8 million per year. That's a direct fiscal loss.

Apparently, an environmental study in Sudbury confirmed that lakes as far away as 100 miles have been affected by the industry in that city. Perhaps it's because of the building of what we now term superstacks. Pollu-

tion hasn't really abated; it has just shot up a little higher into the air and is distributed over larger areas. Apparently this has been the cause of what has been happening with respect to acid rain over the years. It has had the net result of increasing dramatically the mercury in our fish population.

I realize this is a very difficult problem, first, in tracking down the source and, second, in actually levying responsibility, particularly when its source is in the United States. But since this does occur because of sulphur dioxide emissions—when it combines with water it becomes sulphuric acid—is the ministry convinced, in its own mind, that its requirements with respect to sulphur dioxide emissions are strict enough? If so, what additional efforts can the ministry make in this area? If the regulations are not strict enough, what is the ministry doing to try to tighten them up?

Hon. Mr. Kerr: As you have said, acid rain or acid precipitation is a continental phenomenon here in the same way it is in Europe. Most of the plants that are emitting SO_2 are in the US midwest or south of the border, and, of course, the emissions are all part of the precipitation that takes place in some of our rivers and lakes in south central Ontario. This was analysed and published in the report that was released last September as a result of a study done by our ministry. The main conclusion, of course, is that acid precipitation poses no threat to human health. It may have some adverse effects on soil and vegetation. It may also affect aquatic life in some of the lakes that may be subject to any high concentration of acid rain.

We have to deal with the sources in Ontario, in the best way we know how, to reduce the quantity of SO_2 that's coming out of a plant by way of air emissions. We are attempting to do this, for example, in Sudbury, and we are doing it in our major industrial cities such as Hamilton, Windsor and Toronto. On a plant-by-plant basis, we've substantially reduced the SO_2 emissions. For example, there has been a great improvement at Stelco in the past five years. We have to deal with our sources of SO_2 in Ontario and make sure they meet our criteria under some sort of a control order.

I'll have somebody else comment on this, but according to the latest statistics we have, Sudbury is third or fourth in the country as far as SO_2 levels are concerned. The superstack may have something to do with that because of the dispersion outside the immediate Sudbury area. Again, of course,

we have to work through the IJC, as far as trans-boundary air pollution is concerned, to make sure our neighbours are imposing the same types of controls that we are and so that the overall problem will be minimized. [10:00]

Mr. Makarchuk: Do you have a copy of an Environment Canada report from 1974 indicating that the damage Inco was creating was estimated at about \$465.9 million?

Hon. Mr. Kerr: Apparently there is a report. Whether it was an in-house report, a preliminary report or a study as part of an overall commission, I'm not sure. But apparently we do have some information of a study undertaken, indicating there were some projections about the cost of the pollution.

Mr. Makarchuk: Did you take it seriously or did you feel it was just a study and nothing else?

Hon. Mr. Kerr: I have to rely on the experts within the ministry. Any report of that kind is taken seriously. I believe this was part of an—

Mr. Makarchuk: Environment Canada report.

Mr. Gaunt: The Pollution Reporter of March 1977 contained an article suggesting there is \$285 million in damage annually to buildings. Does that—

Mr. Makarchuk: Could be; the total was \$465 million.

Mr. Minister, if you had a report of that nature—again, it comes down to measuring things—in the first place you'd look at the report and see if it had any credibility. In the second place you'd say, "If the damage to the environment is that high, it might be advantageous to take more serious steps to prevent this from continuing." The argument is strictly on an economic basis. Which you should understand, of course.

Hon. Mr. Kerr: I understand the report, as you indicated, was a federal report.

Mr. Makarchuk: That's right.

Hon. Mr. Kerr: —which was never released. At the same time we got a copy of that report, I suppose as a courtesy. Studies of that kind are exchanged back and forth. As to what we did with that, Mr. Shenfeld might have some information.

Mr. Shenfeld: The report was sent to the ministry for our comments. The report was for internal use only and was so marked on the report. The people at Environment Canada itself did not actually believe the figure. We looked at the figures as well. The basis

for the figure is rather a poor one. It's based on the emissions of SO₂ in pounds per year at a value of 12 cents, I believe. This is not a normal way of developing costs of damage.

What they should have done was to look at the air quality levels. Most people doing economic costs will look at the air quality rather than emission. In other words, if you emit at 1,250 feet, you don't expect the same amount of damage as if you emitted at 20 feet. Looking at it simply on the basis of pounds of emissions at cents per pound is rather a poor way of costing the damage.

Mr. Makarchuk: How would you cost it and what would your costs be? Did you assess them?

Mr. Shenfeld: I'm not an economist costing it. Those people who do cost damages would look at the damage done by air quality, say, on a forest, and determine the damage to any kind of vegetation. They do have costs determined on the basis of air quality levels as measured at ground level. There have been costs developed on that basis.

Mr. Makarchuk: What are your costs? What is your estimate of the damage?

Hon. Mr. Kerr: Have we done that type of study?

Mr. Shenfeld: I haven't actually done that type of study, but there are studies that have looked at certain damages to crops—

Mr. Makarchuk: But we're talking about the Inco situation in Sudbury. There is an Environment Canada report and it states the cost. Ordinarily, I would assume, your ministry would say, "We don't think this is valid."

Mr. Shenfeld: That is correct. Environment Canada didn't think so either. They never released that report or published it.

Mr. Makarchuk: But you would have some idea of what the costs are, wouldn't you? Do you have the figures somewhere?

Hon. Mr. Kerr: No, I don't think we have.

Mr. Shenfeld: I think Dr. Linzon may have something.

Dr. Linzon: Mr. Chairman, when I was working for the Canadian Forestry Service I participated in a study that was done for the federal government. This was a study which consisted of measuring the damage to forests in the Sudbury area over a 10-year period.

Mr. Makarchuk: Forests alone and nothing else?

Dr. Linzon: That's right; just forests alone. This was based on the most sensitive tree

species, eastern white pine. Our figures, based on 10 years of loss in volume and tree mortality, came out to \$117,000 per year just for white pine, which is about seven per cent in a productive forest land.

Mr. Makarchuk: Did you look at damage to materials, to property, to health or anything of that nature?

Dr. Linzon: No, we didn't. The thing about economic estimates is that, for example, in the United States we read about a \$16-billion loss from air pollution in a year. If you check back, you'll find someone quoted that the average person suffers about \$200 a year loss due to the cleaning of drapes or painting his house. Multiply that figure by the number of households in the United States and you come up with \$16 billion. Generally, economic estimates are founded on fairly loose information and you end up with what you might call a guesstimate. The \$500 million for physical damage would be what we would call a guesstimate.

Mr. Makarchuk: It's a ballpark figure; the damage is somewhere around there. The ballpark figure you got from Environment Canada is quite high in comparison to the cost of a stack, shall we say, or in comparison to taking some remedial measures to try to cope with it.

Dr. Linzon: Actually, the figure in the United States has been quoted as \$1.5 billion per year from corrosion of materials from sulphur dioxide. These again are just economic guesstimates, based on some particular figure which has been extrapolated over the entire country.

Mr. Makarchuk: You extrapolate a lot of things in life, don't you? In your work I'm sure you live by extrapolation to a great extent.

Dr. Linzon: That's right.

Mr. Gaunt: I just want to tidy this up. With the energy situation with which we're confronted now and the fact there are plentiful supplies of coal in the United States, there seems to be an emphasis to switch to coal-burning plants. Therefore, I think this is going to be a greater and greater problem for us in the ensuing years.

Hon. Mr. Kerr: That's why we must have that nuclear mix.

Mr. Gaunt: There are other mixes as well that should be thrown in there, and I'm sure you're well aware of them. It seems to me we're going to have to tighten up our SO₂ air quality regulations with respect to our own plants in this province. We're going to have to work through the IJC to try to

get the problem dealt with on a continental basis. It doesn't matter if we control our own backyard in this province; if it's coming up from the midwest and further south, we have no jurisdiction over that. The only thing we can do is to work through the IJC and try to persuade our American friends to come in with controls of their own to try to cope with this problem. I think that should be done because in the next few years I foresee a much greater problem in this area with the return to more coal-burning plants.

Hon. Mr. Kerr: The only thing I can say about our plants is that the plant in Nanticoke, for example, which I believe is a coal-fired plant, and the one that's proposed in Atikokan, are required to burn hard coal with a lower sulphur content. In other words we impose on Hydro certain criteria. They are required to burn high-quality coal, rather than soft coal, which is more of an SO₂ problem, as you know.

Mr. Haggerty: Whether it is or not, it is now being carried out by the IJC concerning the Nanticoke Hydro plant there. I believe they have been causing some problems.

Mr. Makarchuk: The United States wouldn't have permitted a plant with such high emissions. That was in the last IJC report.

Mr. Haggerty: You don't know that.

Mr. Makarchuk: No, that's the report.

Hon. Mr. Kerr: Mr. Shenfeld, do you want to answer that one?

Mr. Shenfeld: Actually, our standards for sulphur dioxide are as stringent as, or even more stringent than, those of the United States. Our philosophy is to control the emissions so that the ground-level concentration of sulphur dioxide will not exceed 0.25 parts per million for one hour or 0.30 PPM for half an hour. The United States standard is 0.50 PPM for three hours or 0.14 PPM for 24-hour average. Our 24-hour average standard is 0.10 PPM. So we are as stringent as or more stringent than, the United States.

Mr. Makarchuk: The last report from the IJC contained a statement to the effect that they felt Nanticoke's emissions were higher than the permissible standards in the United States. I am under the impression that's what the report said. That bothers me somewhat. I thought we were doing better than the Americans were.

Hon. Mr. Kerr: We are.

Mr. Makarchuk: But I saw that statement. That's what got me.

Hon. Mr. Kerr: The only problem with Nanticoke, I believe, is that the plant is bigger.

Mr. Shenfeld: It doesn't matter how big the plant is; it still has to meet our standards. The same is true in the United States and its standards are not as stringent. I can't comment on the statement made by the IJC; I'm just going by the way we approve a plant and the standards that have to be met.

Mr. G. I. Miller: What is the report on Nanticoke? Do you have a comment on that?

Mr. Shenfeld: The Nanticoke plant is operated to meet our standards. If the weather is such that the concentrations possibly will exceed the standard, they are to reduce their emissions so the standards will be met.

Mr. Bounsall: I have three areas I'd like to bring to the attention of the minister tonight. One is the way, I think the very incredible way, in which the Windsor office of the air resources branch operated in a particular case.

The story starts over a year ago when the residents in the street nearest to a scrapyard which had just expanded its operations—the scrapyard of J. Kovinsky and Sons Ltd.—contacted me about the hours of operation of the scrapyard and the severe amount of noise coming from its operations.

The complaint came into my constituency secretary. I trained him in the type of questions to ask the air resources branch there and to urge them to do something about the noise pollution. Contacts went on back and forth over the course of the next few weeks, at which point it looked as if something hopeful was emerging.

[10:10]

The air resources branch said that it was contemplating causing studies to be done upon the degree of noise pollution at Kovinsky's. We contacted them again after another couple of weeks went by and finally heard that J. Kovinsky was going to be making studies on the degree of noise pollution and the vibrations that were taking place at various ground sites in the neighbourhood as a result of the noise, which can be directly correlated.

The industrial research group at the University of Windsor had been contacted, and someone there was designing the measurements and the experiments to come up with findings as to whether or not there was a serious amount of noise pollution and vibration occurring and what could be done with it. Also, we were given the name of the group at the university that was doing this and from time to time we kept in contact with them.

There were some problems with when the measurements could be taken, because at that time we had to wait until spring so that the ground would be free of both snow and water.

Finally, the experiments were carried out. This summer, in late August or early September, we contacted the university and were told: "Yes, the experiments were all done. The results have all been sent to Kovinsky." We said: "Fine. What are they?" They replied: "Well, Kovinsky paid for the study, so we've made our report to them. You really can't ask us."

A fairly routine question was asked of the air resources branch: "What are the results of the studies?" It turned out that a year ago they didn't require Kovinsky's to have the noise pollution studies done. This was to be in two phases, and this was only phase one. They recommended to Kovinsky—recommended to him—only that he have the studies done.

The studies now having been done and he having paid for them, the air resources branch people cannot make up their minds—because it was only a recommendation from them, and not a requirement—whether they can request the report from Kovinsky. So Kovinsky has been required to go out and pay, I would think rather substantially, for a series of studies, the results of which your ministry's air resources branch down there now doesn't know whether it can request.

I wrote a rather scathing letter today about this situation in which they now find themselves, where more than a year after the problem was brought to their attention, they have handled it in such a way that they don't know whether they can get the results.

What has been accomplished? Virtually nothing, if Kovinsky now says, "I paid for it. I've got the results. They're mine; not yours." What position is your ministry's air resources branch in?

Hon. Mr. Kerr: Are you saying Kovinsky is the operator of this?

Mr. Bounsall: Yes, he's the operator and owner of the scrap-yard. Isn't it an incredible situation where, somewhat more than a year later, with a series of studies having been done by the industrial research group at the University of Windsor, and one study in the final stages being done by Professor Bill Colbourne—who is a good friend of mine, as a matter of fact—you've got your branch saying it doesn't know whether it can request the results?

I agree with Bill when he says to me, "Look, Kovinsky was the one who contacted me. Kovinsky paid me for it. I gave my report to Kovinsky. Surely it's not up to me to release the report." The normal thing is that your branch should be able to do it. Now it finds—

Hon. Mr. Kerr: Do you mean to say you didn't get a copy of it?

Mr. Bounsall: No, and neither has your branch. Your branch can't make up it's mind whether it is in a proper position to request it and get it, because it didn't require Kovinsky to do it; it only recommended to Kovinsky that he do it.

Hon. Mr. Kerr: Recommended that he do it, with the idea of taking out certain remedial measures as a result of the study?

Mr. Bounsall: Yes. As it turns out, what they did was recommend to Kovinsky that he pay for a study and, as a result of that study, they would see whether he was above a certain level and whether further action to abate it should be taken and what action that would be. Now Kovinsky has had the study done and your management branch down there finds it doesn't know whether it can request Kovinsky to give it a copy of the study so it can see whether or not the noise and vibration—

Hon. Mr. Kerr: Why don't they?

Mr. Bounsall: They haven't done it yet. I can't give you the case sheet data; all that is in my constituency office in Windsor. But Mr. Lethbridge has been asked twice in the last three weeks to do precisely that. He keeps referring the matter to Mr. Luyt, who either hasn't done it or can't make up his mind whether he can request it.

The story goes on: The major offending piece of apparatus that creates most of the noise and most of the vibrations in the scrapyard is the shredder. Phase two was to be—and this is what we've been told all along—a full inspection of the operation of that shredder, which is the main offender, to see whether or not its operation could be modified.

They appear not to be sure whether they're going to request or require phase two to go into operation; that is, a thorough investigation of the shredder. I've been urging them as well not to find themselves in any request position where, when they do complete those studies, they're again not sure whether they can ask Kovinsky for the result.

It strikes me this is a most incredible way of operating. If they sat down to figure out a way not to solve the problem, to continue the irritation of the people living in the neighbourhood in the sense of nothing getting solved or reported to them, and to most irritate Kovinsky by causing him to pay the cost of a study, they've achieved it, with no result.

On a policy basis, is that the way you want any of your air resources branch offices in

Ontario to be operating? It's a most incredible way, as I see it. It's a way that ensures you never get to a solution.

Hon. Mr. Kerr: It's noise?

Mr. Bounsall: Noise and vibration.

Hon. Mr. Kerr: It all sounds very simple to me. It's just a matter of whether it's after you, Alphonse. Maybe we should make a call and find out whether or not that study is available. Mr. Manuel, do you have some information on this?

Mr. Manuel: The information we have is that this is quite correct what has been going on. We haven't been involved in it directly as far as the noise section is concerned. In the last two weeks we've had a request to be involved. We're going to carry out some noise measurements and vibration studies ourselves rather than request the report from the university. We'll carry out our own independent study.

Hon. Mr. Kerr: What's the matter with asking Mr. Kovinsky for a copy of the report?

Mr. Manuel: I don't know if the local office has done that, but we have not been in touch with them.

Mr. Bounsall: That's what they are in a quandary over. Kovinsky paid for it, and apparently they requested he do the study but did not require him to. Therefore, they're worrying about whether they can ask Kovinsky for a copy of the report. I don't know Mr. Kovinsky. Presumably, I could ask him for a copy of the report. Having taken the problem to the air resources branch, the branch has given me over the weeks and months an updating on what kind of experiment was taking place. They say, this problem is going to be solved.

We now come to the point where they're wondering whether they can request the report. Surely that's their job. Why on earth did they set it up in the first place, only to find themselves in this situation? If they ask Kovinsky for the results of the report, which is by a reputable group at the university, maybe he'll hand it to them. I don't know what their problem or hangup is on this. Can you shed any light on that?

Mr. Manuel: No, I cannot.

Hon. Mr. Kerr: To ask for the report and be refused could be expected. If they're not refused and they get a copy of the report, there may be some problem in enforcing some of the recommendations of the report; in other words, in the ministry enforcing recommendations of a report that has been commissioned and paid for by someone who is the recipient of a control order or even

the subject of a prosecution. There may be some awkwardness, shall we say, in carrying that out.

I think the problem here is we haven't got the information from the region we require. We'll get that information. Apparently, in any event, we're going to go ahead and do some sort of a study on our own.

Mr. Manuel: That's right.

Mr. Bounsall: You're determined you're going to do this more than a year after it has been brought to your attention. Meanwhile, you've been cruising along thinking this study being done by the university somehow would help the situation. That is in itself a bit incredible. Why didn't you take the steps you're about to take now? You may have convinced yourself you can't get it from Kovinsky, without having asked. Why have you waited more than a year to make your own studies when presumably there is a complete and valid set of duties sitting in the files of the industrial research group at the university and in Kovinsky's office?

Let me ask this, Mr. Minister: Why isn't Kovinsky asked if he will give you the results of the study that has been done?

Hon. Mr. Kerr: Without prejudice?

Mr. Bounsall: Sure. I am not sure there are many recommendations in the report. It was to determine the levels of both noise and vibration; that was asked by the university. The inference and statement to me was that, as a result of those studies, we will see whether anything can be done about it, both in enforcement of something or whether it is technically feasible in terms of certain reasonably high levels.

There was a phase two talked about all along, an in-depth study of the shredder. Could the ministry not only recommend but require, whether they pay for it or Kovinsky pays for it, a study of that shredder operation? Having required it, and not recommended it, it would be logical for them to receive a copy of that report.

Mr. Manuel: That is correct. If the ministry had required it, we would have a copy. As I said, the noise section in Toronto only recently has been involved in this matter. Prior to this, it has been entirely a regional matter that has been handled through the region and it is only over the last few weeks that we have been involved. Because of this, we are going to carry out our own independent study.

If we find these levels are higher than would be permitted, we can insist on the necessary abatement procedures under the act.

Mr. Bounsall: Could I suggest that you might have some time before you do your own by seeing what has already been done by the group at the university?

One other short question: Do you have, within your ministry, people trained to do this kind of work?

Mr. Manuel: Yes, sir.

Hon. Mr. Kerr: We can do the same study that the university is doing.

Mr. Bounsall: All right. You may have a fully trained group sitting there at the university now doing what you may use in the future, provided you require someone to do it rather than just recommend that it be done. Surely the first step would be to have a look at the report. You may find something wrong in the way this particular group at the university devised the experiments. They may not be doing what you would be doing to give you certain results. I would think it would be interesting, from your branch's point of view, to see what this independent group at the university has discovered with respect to the noise and vibration from the scrapyard.

Mr. Hennessy: Have you seen that report?

Mr. Bounsall: No.

Mr. Hennessy: You seem to be recommending that we look at it.

Mr. Bounsall: I don't know where you have been; this is what I have been talking about.

Mr. Hennessy: I am just gessing.

Mr. Bounsall: That is what I am saying. The ministry officials now are in a quandary as to whether they should pick up the phone and ask Kovinsky for a copy of the report because they only recommended that he do this; they did not require that he do this. If I had known this a year ago, clearly I would have asked them then to require it rather than just to recommend it.

Hon. Mr. Kerr: If they didn't require it, it would seem to me they are taking the normal procedure and requiring the source, the company, to abate its noise level. Isn't that right?

Mr. Manuel: I would say so.

Hon. Mr. Kerr: I would say they are requiring the company to abate its noise levels within whatever decibel criteria we establish.

Mr. Manuel: On a voluntary basis.

Hon. Mr. Kerr: Yes. I can see them, sort of by the way or from the point of view of assistance, saying to Kovinsky, "If you are not satisfied with our requirements, if you don't believe us when we say your operation

here, particularly the shredder, is well in excess of our criteria, why don't you have a study done?"

Mr. Bounsall: He did. He went to the whole expense of doing a study. But no one gets to look at it but himself. What is accomplished?

Hon. Mr. Kerr: I can't help but feel, and I am only guessing, that he would have offered that study to the ministry real quick if there were no problem.

Mr. Bounsall: The point is: can't the ministry ask him for the study?

Hon. Mr. Kerr: Sure.

Mr. Bounsall: This has not been done.

Hon. Mr. Kerr: I don't think the ministry can require a copy of a study that has been

commissioned and paid for by somebody else even if they suggested it. Am I right on that? There's no obligation to that gentleman to supply a copy.

Mr. Hennessy: That's right.

Mr. Bounsall: In a sense you've wasted a year in terms of solving the problem, if there is one. You're as much in the dark now as you were over a year ago as to whether a problem exists. Incredibly, they haven't done the obvious. They seem to be dragging their heels on picking up the phone and nicely—or whatever they want to—requesting Kovinsky for a copy of his report.

Hon. Mr. Kerr: I may even make a call tonight. Who knows?

The committee adjourned at 10:31 p.m.

CONTENTS

Monday, December 5, 1977

Environmental Assessment and Planning Program	R-1049
Air Resources	R-1049
Adjournment	R-1072

SPEAKERS IN THIS ISSUE

Bunsall, E. J. (Windsor-Sandwich NDP)
 Charlton, B. (Hamilton Mountain NDP)
 Cooke, D. (Windsor-Riverside NDP)
 Gunt, M. (Huron-Bruce L)
 Haggerty, R. (Erie L)
 Lavrot, E.; Chairman (Timiskaming PC)
 Pennessy, M. (Fort William PC)
 Kerr, Hon. G. A.; Minister of the Environment (Burlington South PC)
 Perrio, V. (Niagara Falls L)
 Sakarchuk, M. (Brantford NDP)
 Miller, G. I. (Haldimand-Norfolk L)

Ministry of the Environment officials taking part:

Carr, J. R., Assistant Deputy Minister, Regional Operations Division
 Miles, J. W., Assistant Deputy Minister, Environmental Assessment and Planning Division
 McFarries, J. G., Supervisor, Vehicle Emissions Section, Air Resources Branch
 Pinzon, Dr. S. N., Supervisor, Phytotoxicology Section, Air Resources Branch
 Emanuel, J., Supervisor, Noise Pollution Control Section, Pollution Control Branch
 Shenfeld, L., Supervisor, Air Quality and Meteorology Section, Air Resources Branch
 Turner, E. W., Assistant Director, Pollution Control Branch



No. R-41

Legislature of Ontario Debates

Official Report (Hansard)
Daily Edition

Resources Development Committee

Estimates, Ministry of the Environment



First Session, 31st Parliament

Wednesday, December 7, 1977

Speaker: Honourable John E. Stokes

Clerk: Roderick Lewis, QC

CONTENTS

An alphabetical list of members of the Legislature of Ontario, together with lists of members of the Executive Council and Parliamentary Assistants, appears as an appendix at the back of this issue.

Daily contents of proceedings also appears at the back of this issue. Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff. (Phone 965-2159)

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LEGISLATURE OF ONTARIO

WEDNESDAY, DECEMBER 7, 1977

The committee met at 10:05 a.m.

ESTIMATES, MINISTRY OF THE ENVIRONMENT (continued)

On vote 2002, environmental assessment and planning program:

Mr. Chairman: Before we proceed with any further debate, I would like to remind the members of the committee that an agreement was reached that the estimates for the Ministry of Environment are to be completed by tomorrow at 12:30. That includes the supplementary estimates.

Mr. Haggerty: The supplementary estimates are good for six hours.

Mr. Chairman: I would ask the members of the committee to proceed as quickly as possible with the various votes. As I say, we're still on vote 2002—

Mr. Haggerty: Mr. Chairman, every day we lose about 10 or 15 minutes waiting for committee members, and even the minister, to come into the meetings. I think we've lost about an hour on that so we should be permitted to continue, until 12:30 today at least.

Mr. Chairman: We're sitting until 12:30 today, Mr. Haggerty.

Mr. Haggerty: Are we? Why not make it 1 o'clock then?

Mr. Chairman: That is the normal time, thank you very much.

Ms. Bryden: On a point of procedure, couldn't we agree to sit until 1 today in order to get a little extra time because of the curtailment?

Mr. Chairman: I'm sorry, Ms. Bryden, but we have a meeting at 1 o'clock and I think some of the other committee chairmen have a meeting with the Speaker.

Ms. Bryden: If the meeting is in the building, could we still not sit until 1?

Mr. Chairman: The minister also has to be in cabinet at 12:30.

Mr. Haggerty: There's another three or four minutes lost every time each one of them fills their pipe up there.

Mr. Chairman: You're right. You're absolutely right, Mr. Haggerty. The first speaker we have this morning is Mr. Pope.

Ms. Bryden: Mr. Chairman, I have one other point of procedure, if I may. Since this is the estimates of the Ministry of the Environment, I wonder if we could have equal time for the non-smokers—one hour on and one hour off or something like that?

Hon. Mr. Kerr: There's an idea. I'm sick and tired of all this smoke.

Mr. Chairman: I have no comment on that. Mr. Pope, please proceed.

Mr. Pope: I have four or five different points to raise and I'd like to have some response from the minister.

Firstly, there's a Ministry of the Environment office in Timmins which I think is performing an important function. I'd like assurance from the minister that the office will remain open in Timmins and that it will continue to be adequately staffed, that there will be no staff cutbacks. When we look at some of the problems of the riding of Cochrane South, I think I have a right to ask for that commitment from the ministry. That's the first point. I'd like to have a reply from the minister as to whether or not he is committed to maintaining that office.

Secondly, I would like to know what priority this ministry has placed on the construction of water and sewer projects in the riding of Cochrane South and in all of northeastern Ontario. It's clear that there has been some delay, and I think it's needless delay, in the Val Gagne water supply system. There doesn't seem to be any quick resolution forthcoming for the problems of Monteith, although Porquis Junction, in all fairness, has been granted, I believe, \$618,000 under the neighbourhood improvement program for water and sewer.

However, Monteith has not been dealt with. There has been delay after delay in Val Gagne. In Ramore and Holtvre it looks like we're no closer to providing some of the necessary municipal services. I'm wondering what commitment the Ministry of the Environment has, through its local officers, to resolve those problems and get on with the basic constructions.

It's fine to talk about an expenditure program in terms of the overall needs of the province of Ontario, and we can talk about the Environmental Assessment Board and its costs, but I think equally important is to bear in mind that there are some municipalities in northeastern Ontario that do not have—in spite of all of our efforts and the good work we've done in some of the larger municipalities—basic municipal services that much of the province takes for granted.

I'd like an answer from the minister on where he sets his priorities in terms of servicing communities in northeastern Ontario.

Hon. Mr. Kerr: Would you mind repeating some of those communities that you mentioned?

Mr. Pope: Val Gagne.

Hon. Mr. Kerr: I've got Val Gagne.

Mr. Pope: My first question was, are you going to maintain the Ministry of the Environment office in Timmins?

Hon. Mr. Kerr: Yes, I have that.

Mr. Pope: Okay. The second point is Val Gagne, Monteith, Ramore and Holtvre.

Hon. Mr. Kerr: Okay, carry on with your question.

Mr. Pope: There was an information pamphlet dealing with mobile homes prepared by the provincial government. I'd like to deal with that. Specifically, one of the pages which is accredited to the Ministry of the Environment deals with mobile home servicing and environmental considerations.

I'd like to know from the minister where we stand in terms of orders being issued against Notre Dame Mobile Home Park in Timmins and what the ministry sees as its role in a very difficult question.

The question is this. We have existing mobile home parks, pre-1974, with certain private servicing standards. In 1974 we instituted a building code which gave the municipality some authority over mobile home parks—for instance, a \$10 permit fee—and therefore some leverage on the quality of servicing that must go into mobile home parks.

In addition, a lot of municipalities in 1975-76 in northeastern Ontario passed mobile home park bylaws in an attempt to establish quality of services. The fact remains that in the city of Timmins, and I suspect throughout most of northeastern Ontario, virtually every mobile home park pre-existed the attempts of the municipalities

to regulate standards. That means that whenever a new mobile home moves in an existing park we have a conflict between existing standards—quite frankly, they're looked upon as non-conforming standards and the new standards.

In the city of Timmins this has led to a lot of litigation and it's going to continue to do so. In the meantime, mobile home parks existing before all of these regulations and rules came into effect are faced with a choice. Either they continue to defy those standards and fight the city and the government in the courts, or they cave in and undertake a massive expenditure program changing, for instance, three-inch water lines into eight-inch water lines throughout the whole park.

[10:15]

I am wondering what the ministry sees as its role in trying to resolve this problem because quite frankly we still have mobile home parks in my riding which are not properly serviced by water and sewer. We have, according to the public health authorities, substandard water. We have an inconsistent supply of water. We have inconsistent sewage disposal systems.

To say, as is said in here, that solid waste collection and disposal is the responsibility of either the mobile home park operator or the municipality, and I am quoting directly from this page, doesn't answer the problem. The answer that I would like to know is when the Ministry of the Environment is prepared to step in, how fast is it prepared to act.

These complaints for Notre Dame have been forthcoming for the last six months. It seems to be a ring around the rosie between the Porcupine health unit and the Ministry of the Environment as to who is going to take action. Apparently now it is still in your legal branch, which is determining whether or not an order is going to be issued. So, I would really like to explore that in more depth, bearing in mind the problem areas that are developing.

The other point I have is that I have to express some concern over the fact that this ministry is studying the tailings dams problems. There have been moneys allocated under the Provincial lottery fund to the Ministry of the Environment for rehabilitation of existing tailings dams. The only progress I can see being made to rehabilitate the tailings dams is that you have some people going around studying the situation. Quite frankly, if you communicate with any municipality having tailings dams within its

boundaries, it is going to be clear which are the problem areas.

The problem areas, for instance, in the city of Timmins are the Hallnor and Pamour mine sites. There are some sites along the back road around the Delnite property. There is a tailings dam along Pine Street south in the city of Timmins. The major problems there are not only leaching of chemicals out of the tailings system but also wind pollution. Anyone flying over the city of Timmins can see that on a windy day there is a substantial wind pollution problem in the Hallnor and Delnite mine areas. I don't think we have to have the situation studied. I just think we have to have some decisions on the commitment of those funds. There was a rehabilitation program, for instance, undertaken in some of the mine areas along Highway 101 between south Porcupine and Schumacher four years ago that was highly successful. It involved seeding. I would like to know when these funds are going to be committed and whether or not the ministry has designated its priorities under this program. I don't think we need more studies, to be quite honest with you.

The other situation that I would like to discuss in more detail is the Kam-kotia Mines situation. I would like to know why the Ministry of the Environment feels it has to determine who has proprietary interests in the land before it will move in. I am wondering whether or not, rather than filing orders, the work could be done and then the owners of the land could be sought out. Clearly, in the Kam-kotia Mines situation, there is a problem of leaching into the streams, and the problem has existed for some period of time. I would like to get some indication from the ministry on how long it takes for them to act on these problems.

One last point. I would like to have some comment from the Ministry of the Environment about their updated studies on pollution control in the Porcupine area of the city of Timmins. The township of Whitney constructed a pollution control plant, I believe, five years ago and the day it opened it was over capacity. I am wondering how that could happen and what steps the ministry is taking to try to resolve the situation.

Hon. Mr. Kerr: Could you elaborate a little more on that last item? You say pollution control in the Porcupine area. What type of control? What is the problem there?

Mr. Pope: It was a plant with a design

capacity and the day it opened it was over capacity.

Hon. Mr. Kerr: You don't know what kind of a plant? It was not a sewage treatment plant?

Mr. Pope: Yes.

Hon. Mr. Kerr: And you say it is now over capacity?

Mr. Pope: That is the information that is being given by the city of Timmins.

Hon. Mr. Kerr: Dealing with the first point you raised, there is no intention of closing the ministry office in Timmins. We expect it will stay open. As a matter of fact, we expect that in light of the establishment of the Ministry of Northern Affairs and our association with that ministry in dealing with certain priority projects in the north, there could very well be more work attributed or assigned to that particular office. We have no plans at this point for any change there.

As to the projects you were naming, I know off the top of my head the Val Gagne project is going ahead. I believe the engineering and all the design has been completed and the money for actual construction will be in our 1978-79 budget.

Mr. Pope: I think one phase is already started.

Hon. Mr. Kerr: Yes. We have started the water phase and I expect there are at least engineering plans going ahead for sewer expansion there.

Have you got the other ones? Do you want to comment on any of the others? Is there a problem finding the other three or four municipalities?

Mr. Pope: I'm sorry, perhaps I should tell you that you are dealing with recognized municipalities of Iroquois Falls and Black River-Matheson. They are communities within those municipalities.

Mr. Barr: As to mobile homes, I don't know whether Notre Dame was the one we have been dealing with in the past. In fact, I think I talked to the principal who owns the park. There appears to be a conflict between him and the city council and we are in the middle. We look on mobile homes as being controlled in terms of servicing, almost like a subdivision, with a subdivision agreement between the owner of the park and the city or the municipality.

In some cases, we might look at the mobile home park as being temporary, although they become more permanent than temporary in time. We can look upon them in the temporary nature as having minimum services in terms of water and sewage. However, the

municipality may look upon it as a subdivision, with the owner providing the same degree of services in both water and sewage as in any other normal subdivision.

Once they are established our investigation primarily is to determine if the water supply is adequate. In other words, maybe not meeting fire requirements but at least providing adequate and safe water to the residents. Sewage is much the same. In some cases, they provide it on a communal basis. They sewer the park, possibly with the minimum sizes of sewers rather than, say, eight-inch or larger and then a communal septic tank system is installed. In some cases we would prefer this be connected into the municipal sewer system, which might be the case in Timmins. We seem to be the mediator between the owner of the park and the municipality.

In the case of Notre Dame there has been some conflict between what the city feels the owner should provide and what he feels is necessary. We are looking at whether we should take more direct action through a control order, which we have the power to do and force the owner to comply with the city requirements. This is the stage we are at the moment. Our legal people feel this is a viable direction in which to go, bringing about what the city wants and although it appears to be contrary to what the owner of the camp wants. As I say, we are in the middle in this one.

Mr. Pope: Can I pursue that a bit with you? To give you some information regarding Tanz Mobile Home Park, which is on Pine Street South, there was an agreement with the city for less than city standards because it was a pre-existing mobile home park. By virtue of that agreement there was a water line run down Pine Street South specifically for fire hydrants. It was paid by the owner. There was linkage into the city sewage system, with a pumping station located on the property, but with pipe size less than city standards. There was some resolution of the differences between what existed and what the city hoped for. There was a change in the water supply system as well.

But in the Notre Dame case we are talking about an existing mobile home park with, I would say, 150 mobile homes, four miles from the nearest sewage line. You state one of your functions may be to bring the mobile home parks up to city requirements. Knowing that is impossible and knowing it is impossible to hook into city services, is there any standards you are prepared to enforce on your own?

I understand you don't want to get into the middle of a fight between the mobile home operators and the city of Timmins. The fact is the mobile home operators have not been successfully prosecuted by the city of Timmins. The fact is there are no standards that can be applied to existing mobile home parks, save and except for any standards that the public, the Porcupine health unit or your ministry can apply. I would like to know what those standards are and how fast you are prepared to move.

We had a situation last week, for instance, when the people there were without water for a day and a half, simply because the pump is not large enough to handle the number of units and volume of water. When and how fast will the ministry act? Will it act on its own and not wait for some resolution of a city/owner dispute?

Hon. Mr. Kerr: What was the problem? Why was the city unsuccessful in prosecuting?

Mr. Pope: Because all these mobile home parks pre-existed the passage of a mobile home parks subdivision bylaw. If you look at it in a planning context, all the existing mobile home parks with existing services pre-exist the bylaws or any attempts to enforce new standards, and are therefore considered as non-conforming or inapplicable.

If you look at it from a building code point of view, from 1974 on the city could force a \$10 licence fee for the locating of a mobile home on the lot. They tried to use this to enforce the mobile home parks subdivision bylaw, which they couldn't enforce on its own. They haven't been successful in doing that, because when it really got down to it the reason they were refusing building permits was because they wanted to apply the standards of their subdivision bylaw, and they couldn't do it.

Hon. Mr. Kerr: Yes. They were prosecuting on a planning basis rather than on a polluting basis.

Mr. Pope: That's right. So there is a real problem. I am not saying it is easy; I know it's not.

Mr. Barr: No. In terms of level of service, it probably never will be brought up to the same water and sewage standards as a subdivision of a hundred and some lots. But we can't agree, nor can the municipality—and I hope not the owner either—that you can have people running out of water. It is a matter of bringing up the adequacy of the water supply so everyone has not necessarily fire protection, but at least water.

Where this means another well, another pump or a larger pump, I don't think this is

a large cost item. Sewage can be handled by septic tanks when it isn't economical or desirable to bring it four miles to hook into the sewer system. Proper sewage disposal can be accomplished within the owner's own property rather than expecting the service will be through the municipality.

It is maybe because of the owner's reluctance to spend money that we are going to have to go through the control order route to force this issue.

[10:30]

Mr. Pope: Is the legal branch considering an order against this owner? I understand they have been considering it for two weeks. Is the order going to be issued?

Mr. Barr: I can't tell you that. Usually our procedure is that our local office people, in this case Timmins, who are directly familiar with the system and the needs—the control order being the last vehicle after all the negotiations seem to have failed—would draw up a draft agreement which sets out the terms and conditions under which the order would be issued to the owner. This then is reviewed by our legal branch to see that it's technically sound and legally sound. If that is the case, and two weeks is not too long for them to have reviewed it, then it would be issued. So I think the technical part has probably been done by our Timmins people. That's finished. I would assume it is really a matter for our legal staff now to determine that it is legally binding; in other words, correct legal terminology is incorporated into the order. If that's the case then I assume it will be issued.

Mr. Pope: I would appreciate it if you would check into that.

Mr. Barr: Yes.

Mr. Pope: I would also want to know what standards you have for solid waste collection and disposal for mobile home parks and how you enforce those standards.

Mr. Barr: Normally, we look upon the park in the same manner as a subdivision. Again, since it is sort of privately owned and operated, it becomes a little different than a municipal park. Probably in this case the owner is responsible for the collection of garbage within the park, rather than having municipal collection, which would be a better solution. But these are difficult ones where we have, as you have said before, existing situations.

I think our actions are more corrective, whereas I think the proper way in the future parks is the preventive stage where you sort of look upon the park in the same manner as you look upon a new subdivision. All these things are carried out in the subdivision agree-

ment between the municipality and the park owner. But in this case it is an existing situation. I think the best we can do is make it environmentally safe from water, sewage and solid waste disposal.

Hon. Mr. Kerr: I think we can probably get the detailed answer tomorrow, the final answer to the member's questions, if we can find out about the particular order.

Mr. Barr: Yes, or we can send you a letter. If you will be here tomorrow, we can have the—

Mr. Pope: Yes. Thank you.

Hon. Mr. Kerr: You asked, Mr. Pope, about tailing areas and lottery funds. The other day I indicated the various projects that were being financed by lottery funds. I indicated that there were two or three projects going on with respect to cleaning up of inactive and abandoned mining properties.

We don't have to get bogged down in any studies. The terms of reference, as far as we are concerned, for lottery funds are "health-related environmental projects." This, of course, can include research, or whatever study may be needed to deal with the project or the problem. But we are moving in those areas where we can't identify the owner or the owner has abandoned the property. It may be a corporation that is no longer in existence, no longer has an active structure in operation in Ontario.

We don't spend a great deal of time in a way that would prejudice the cleanup in attempting to identify the owner because in many cases when we do, there may be some hassle and delay. Our main objective, of course, is to get at the project, while these funds are available, and clean up because there may be the type of leaching that is causing some contamination that we are concerned about. So, it is only natural that we try to place the responsibility on the company under our normal program. But in the event that there is some confusion or doubt as to the responsibility here, we will move in.

You mentioned some projects earlier. The big one, as you probably know, is the sewage works for the city of Timmins. This is an \$8 million project which includes Matagami, Porcupine and Mountjoy. We have received the design report on pumping in a Schumacher transmission main. We have to establish a service rate for the entire city. This is a regional priority type of project involving TEIGA and DREE and we understand it's now into the first stage of construction.

You mentioned Iroquois Falls. I suppose one of these other rural committees within that area would apply here. There is a sewage

collector system and treatment works with a gross cost of \$1,700,000. That, I understand, has been completed but there is still the question of a dispute outstanding between contractors and subcontractors there. I would assume from the information I have that work has been completed.

Mr. J. C. F. Macdonald: Mr. Chairman, the Iroquois Falls treatment plant has been in operation for a while, but there is a dispute, as was mentioned, between the general contractor, Clairson Construction, and the supplier of the sewage treatment plant, which was prefabricated. That's going to court and may involve our ministry. As far as Timmins goes, our ministry is not directly involved in Timmins as a ministry project. It is being handled as a regional priority budget and DREE program. Our representatives sit on a committee in an advisory capacity, but the city is handling that project pretty well on its own, together with TEIGA and DREE.

Hon. Mr. Kerr: The costs for the Black River-Matheson-Val Gagne project—water mains, well reservoir pump—are something over \$800,000 there. Apparently it didn't have a high priority with us in our MBR rating so the municipality has started some of its own work and is to be reimbursed for that work. We have money set aside in the 1978-79 fiscal year for construction as well as reimbursement of whatever expenditures may have been made by the municipality.

Mr. Pope: I am sorry, Mr. Minister, excuse me, is that money set aside in 1978-79 for the engineering work or for construction?

Hon. Mr. Kerr: That's Val Gagne, Mr. Macdonald.

Mr. J. C. F. Macdonald: The typical home charge for phase two, which is not yet constructed, even with 75 per cent subsidy from the provincial government which is the maximum under that program, has worked out at \$336 to \$340. The information on that has been with the municipality for a while and the municipality was to refer it to the ratepayers to decide whether they wished to proceed on that basis, that being a rather high typical home charge.

Hon. Mr. Kerr: Why is that? Is that because of the number of potential connections there?

Mr. J. C. F. Macdonald: The high cost of the works combined with the limited number of people being served by those works is the reason.

Mr. Pope: The problem here is that this is a community basically of elderly people who have fixed or minimal incomes.

Hon. Mr. Kerr: How many? What is the population?

Mr. Pope: Val Gagne would be about 500. I think it's typical of a lot of northern Ontario smaller communities. They are trying to resolve a problem where senior citizens were carrying water in pails, okay? We have senior citizens' housing there but they can't get water into it. That's been resolved through the ministry's program. Now we are trying to get a proper sewage disposal system going.

To expect senior citizens who have their own home, and a lot of them are forced to have one, to pay that kind of a charge is a problem. That's the problem the city council is facing in Black River-Matheson. That's the problem a lot of these communities face. I don't know how you resolve it and that's why I am trying to get into both the commitment for construction and the financing terms in a lot of these communities I listed. I don't see any way out of it. I am not saying the ministry isn't doing its best to try to provide the servicing, but I just don't know how these people can be expected to pay that kind of money.

Hon. Mr. Kerr: As you know, for example on a project that has estimated \$815,000, such as Val Gagne, the subsidy is 75 per cent of that, or \$611,250. Then there's CMHC involved in there, so our total subsidy would probably be up around 90 per cent. But I realize that amount of money distributed among—you say 500 people—there are probably 200 homes at the very most who are sharing the cost of that balance, and of course if there are a lot of retired people, that is a problem.

We have a program now whereby we will go into communities like that and if they are appropriate for septic systems and wells we will help finance 75 per cent of that cost. In other words, the cost could probably be substantially less overall than the cost of a conventional communal system, and that program is now in effect.

In a situation where the rates are high and the OMB says the municipality or the ratepayers can't afford it or the citizens themselves want the service because of problems but can't afford it, we will move in with that type of a system which is, as you can appreciate, substantially less. But I know you have problems with wells in certain areas of the north and you have problems with septic systems where only a conventional communal system is appropriate.

We have other types of systems such as Aquarobic. We are operating a system now in Temagami which is a little different from

the conventional system and hopefully a little less expensive. But these are the areas where we will have to look for something other than the conventional system. I think that is pretty well all I have on that.

Mr. Barr: Mr. Pope, you asked about Kamiskotia Mines near Timmins and some of the difficulties. There has been the runoff from the existing tailings area, which is heavy metals and low pH or acidic effluent. Some of the tailings are also not impounded and they are causing contamination of the Kamiskotia River and the Little Kamiskotia River.

We have issued a control order as of November 1, 1977. I note here that it's under appeal and I don't think it has been before the appeal board at this stage so the order is not in existence per se until the appeal has been heard. Then, the order will either stand as is or be modified according to the decision of the appeal board. So we are awaiting the appeal board decision before we can enforce the control order.

[10:45]

Mr. Pope: Right. Can I just clarify one last point—the tailings dam issue? Could the ministry please decide who owns the Hallnor tailings dam and put an order against that property? You can go out there any summer day where there's any kind of a wind, and you can't see the houses.

Mr. Barr: Is this because of the blowing of tailings from the mine? I assume this is an abandoned mine at this point?

Mr. Pope: Yes. It's no longer in operation and there seems to be some doubt, from my discussions, about who owns the property. This gets back to the problem I was referring to earlier. It's got to be resolved, either through provincial lottery funds or through orders.

Mr. Barr: I think this is the intent, as the minister has indicated earlier, that where no ownership can be established, it still has to be done. We agreed with that. The lottery funding would be the source of funds for the cleanup.

Mr. Makarchuk: Why don't you try to sequester those properties? It always brings out the owners that way, when you start talking about taking them over. You find out very fast.

Hon. Mr. Kerr: Especially when you discover gold or something.

Mr. Makarchuk: That's right.

Mr. Haggerty: Mr. Chairman, has the ministry completed any studies concerning the salt that's used on the roads in Ontario? I

have an article here dated Tuesday, November 15, 1977, which says salt has a serious effect on the fruit growers in the Niagara Peninsula. I suppose when you look at the Queen Elizabeth Way, being four lanes and two service roads, that by the time it's loaded with salt it does quite a bit of damage to the fruit trees.

Hon. Mr. Kerr: Yes.

Mr. Haggerty: I thought a couple of years ago that you were supposed to commence a study. Has that study been completed?

Hon. Mr. Kerr: The study is a joint study with MTC. One of our contentions has been that there is a rather indiscriminate spreading of salt. They get salt-happy. We get a bit of a snowstorm and there's ice forming on the highways and rather than spreading sand, in order to rush the season a little bit, they're spreading possibly more salt than necessary.

There has been an agreement by MTC that their employees will in fact use some discretion; relying more on sand when it is appropriate. MTC has agreed also to a policy of replacing fruit trees that have been damaged in the Niagara Peninsula as a result of salt contamination. One of the problems I believe we have is that salt is not defined as a pollutant.

Mr. Barr: It's exempt.

Hon. Mr. Kerr: It's exempt as a pollutant.

Mr. Haggerty: Why would it be exempt? It certainly does cause damage to fruit trees and any tree, I think, along the road.

Hon. Mr. Kerr: I think it was the result of a court decision, wasn't it?

Mr. Haggerty: What effect has it on the water quality, too?

Hon. Mr. Kerr: There'll be a certain amount of salination; it certainly wouldn't have any effect on treated water. There are certain chloride levels that are required in treated water; if it is aggravated the treatment would be adjusted accordingly.

Another problem; there was a recent court case involving MTC, where it was found—I believe it was in the Ottawa area—that the ministry was negligent because it had not salted the highway; that if proper salt had been applied to a particularly icy area on the highway, the accident wouldn't have happened and therefore MTC was found liable.

Mr. Haggerty: I think there was a case in the Sudbury area too.

Hon. Mr. Kerr: Could be. So there's a bit of a dilemma. It is an accepted practice and

there is a responsibility on MTC to clear the highways within a reasonable time after a storm, and maintain the highways during the winter to minimize the possibility of accidents. Salt, as well as sand, is one method of doing that. But the attitude of the court was, of course, that safety comes first. We think we have something on that—

Mr. Haggerty: Is there any report on your study then? Is that report ready?

Hon. Mr. Kerr: Yes. I am going to let Dr. Linzon comment on this. It is my understanding there is a formula for the application of salt on highways—so much per square foot—and there are also some regulations in respect to water courses and the possibility of damage in the application of that salt. I realize it leaves a great deal up to the MTC employee, the truck driver who is actually applying the salt. As you know, the stuff sort of whirls in many places.

Mr. Haggerty: But it does not only apply to MTC, it applies to municipal roads as well.

Hon. Mr. Kerr: Municipal roads as well. Right.

Ms. Bryden: Point of order, Mr. Chairman. Is that carried on the air, really?

Hon. Mr. Kerr: Well, this is airborne I mean, how does it get over into the orchards and that? It has to be moved by air.

Ms. Bryden: I thought maybe it was water courses that—

Hon. Mr. Kerr: No. It's airborne and it's drifting into the tender fruit orchards; this is where it is causing some difficulties. If there is such a study, then the ministry can either table it to the committee here or table it to the members in the Legislature. We'll go from there with it. He is right—it is air.

Dr. Linzon: This is considered salt spray, actually. The salt is applied to the highways for deicing purposes where it's whipped up by moving traffic and becomes airborne. It is then called salt spray and it affects roadside vegetation, so damage has been occurring to peach tree orchards and susceptible vegetation along the roads. The Ministry of the Environment does respond to any complaint from the public with respect to salt spray damage. If any farmer or orchard grower requests investigation into the degree and extent of salt spray damage, the ministry will determine this and provide the information to the grower.

I am not sure if there is anything else here. **Mr. Haggerty,** you would like to ask some questions.

Mr. Haggerty: I'm looking for the study report, if the ministry has it completed.

Hon. Mr. Kerr: I can get the report.

Mr. Haggerty: Well, whatever your ministry has done on it so far, and what impact it has on the matter of vegetation. It's a serious hazard.

Hon. Mr. Kerr: Did you deal with the question of remedial measures? I understand there is a policy of replacing—and I realize isn't full compensation by any means—

Dr. Linzon: Well, actually, the question has been considered by three ministries: the Ministry of Transportation and Communications, the Ministry of Agriculture and Food and the Ministry of the Environment. The studies have been conducted over the past few years. It was pointed out early that salt, when used as a deicing agent for the safety of travellers on the highway has been exempted from the provisions of the Environmental Protection Act. But damage is still occurring and this tri-ministry committee has been formed to come up with some means of resolving the problem.

A joint statement was issued on August 2, 1977, whereby the Ministry of Transportation stated that the matter was taken up with the cabinet committee of resource development because not only roadside vegetation was affected by the salt; also affected were a variety of materials and physical structures, which includes corrosion of cars. It was tentatively decided that one segment of society should not be compensated at the expense of another that is also suffering damage because of the application of salt to roads.

In the meantime, the Ministry of Transportation and Communications has stated it is planning a major effort to refine winter maintenance practices so that the very minimum amount of salt is used on the highways, consistent with maintaining the same general level of service to the travelling public.

Mr. Haggerty: I think that most sand the MTC is using today are almost all salt. That's the rock salt. There's not much sand in it, and I think the ministry will be aware of this.

The other question I want to ask: Is your ministry monitoring airborne particles of contamination from industries around the city of Port Colborne, particularly as it relates to the agricultural lands?

Dr. Linzon: Yes, the ministry has been studying the effects of the Inco refinery at Port Colborne for the last six or seven years.

We do have air monitoring stations. We do have soil and vegetation stations monitoring the contaminant levels. In this particular case, nickel and cobalt are the contaminants which have been monitored.

Mr. Haggerty: Has your study indicated any soil crop damage at all?

Dr. Linzon: The studies have demonstrated vegetation and soil damage in the area.

Mr. Haggerty: Is there any possibility that I may receive a copy of that report?

Dr. Linzon: Yes.

Mr. Haggerty: Okay, then I won't continue with it.

Ms. Bryden: Before we leave air, I did have one or two final questions on the PCB situation at the St. Lawrence Cement Company. Does the minister have any information about the amount of imported PCB material which the company would like to burn and could burn, assuming it was licensed to burn whatever PCB material is available from Ontario? Does he have any information on how much additional material they could handle and whether imports are being considered?

Hon. Mr. Kerr: The amount of PCBs at St. Lawrence Cement during about 15 months was 95,500 pounds. I understand this was not the full capacity of that plant. In other words, this 15- or 16-month period was actually a testing stage. This period started in January 1976 and ended sometime in April 1977. That isn't the total amount that could be destroyed if that plant were operating at full capacity and burning PCBs.

Because of the size of the plant, it's quite possible there will always be some capacity, depending on how much PCB material is available for disposal in Ontario during any given year. The point was made the other night that there has to be a proper mix of material. In other words, the company wants to know what, in fact, it is handling—that there is identification of the material it is handling—so there is proper mix. The burn can be conducted on the basis of what material it is aware of and it is destroying at the time.

11:00]

Ms. Bryden: Do you anticipate then that there will be some imported material if they do get approval to carry on burning?

Hon. Mr. Kerr: I don't know. All I can say is that there was imported material during the period of that burn. As the company has

indicated, it has some faith that Chemtrol is properly identifying its material and it is satisfied with the type of blend that it's getting from Chemtrol at the plant in Mississauga.

Ms. Bryden: Does the present certificate of approval, if it's still in effect—

Hon. Mr. Kerr: It's not in effect.

Ms. Bryden: Well, if you're going to have hearings before a new certificate of approval is granted, will the question of imports, and whether they should be authorized, be considered?

Hon. Mr. Kerr: Certainly, certainly.

Ms. Bryden: Will the certificate require that each shipment of imports would be conditional upon the Ministry of the Environment giving its specific approval for each shipment?

Hon. Mr. Kerr: That could be, depending upon the Environmental Assessment Board recommendation.

Ms. Bryden: Do you expect to have an Environmental Assessment Board hearing before the next—

Hon. Mr. Kerr: The board that hears these things is the Environmental Assessment Board. The decision hasn't been made of whether it's going under that Act or another Act. But the board itself would lay down certain conditions and that, of course, could be one of them.

Ms. Bryden: The Ministry of Transportation and Communications has indicated we still don't have any special rules for the transportation of PCBs. The minister has draft regulations, I think, which are being looked at by the federal government. Would we authorize any imports before we get such regulations in effect in Ontario?

Hon. Mr. Kerr: We have regulations. Mr. Giles, are there regulations regarding the carrying or transportation of certain toxic material? Do you want to comment on that?

Mr. Giles: The current licensing procedures under the Environmental Protection Act and our way-bill system give some assurance that the carriers of PCBs are using proper equipment and carrying these materials in a proper manner. We've had a pretty good record in terms of the handling of these materials. I think 200,000 to 250,000 pounds per year potentially could be generated in Ontario and they could burn it all.

There is a flow of these types of materials back and forth across the border for the simple reason that there are facilities on both sides that can handle them. As the minis-

ter has indicated, the blending of the PCBs in the proper amounts in the Chemtrol plant in New York is a key element, in assuring the safety of the operation at the St. Lawrence plant. So I think the question "what is an import?" has to be carefully considered, because of the fact that it goes there to be properly blended and then comes back. It could be Ontario PCBs going over and coming back in a proper form.

Ms. Bryden: I noticed in the House on November 4 Mr. Snow did say, "I do not believe we have any specific regulation in Ontario that would specifically apply to PCBs." Then he went on to say he is very concerned that there should be legislation to deal with the transportation of hazardous products, not only PCBs but any.

We have been working very closely with the federal government in the past two or three years in this area. If we authorize any further burnings there, which would still be a question for an Environmental Assessment Board to hear, are we going to authorize any imports before we get such regulations in effect for governing the transportation of this highly dangerous substance?

Hon. Mr. Kerr: As you say, this again could be a subject of a recommendation or a condition of a hearing. Since that question was asked in the Legislature, I believe Mr. Snow has brought in some regulations that will in a way dovetail with the federal regulations which are required with respect to inter-provincial or international hauling or transportation.

My latest information is that the federal government is preparing a code and preparing regulations. I expect this will be done in a very short time. Our regulations would be a result of that umbrella regulation that is brought into effect by the federal government. We have a lot of situations in various ministries, as you probably know, where to make our regulations or provisions *intra vires* we need some umbrella legislation from the federal government. We are all right strictly as far as in-province transportation is concerned, but PCBs involve to some extent both international and interprovincial hauling.

Ms. Bryden: Have you yet decided under what Act an environmental hearing will be held on the St. Lawrence Cement burnings?

Hon. Mr. Kerr: No, not yet.

Mr. Gaunt: May I ask a supplementary on that? Has the plant been given a permanent certificate of approval? The plant says it has and the ministry says it hasn't. Could you clarify that?

Hon. Mr. Kerr: This is something that we have gone over about 75,000 times in the last month or so. To repeat myself again a certificate was issued during the conducting of this experiment. There were a number of experiments carried out; there were a number of certificates issued—a total of six, I think. One of them was in respect to PCBs. Contrary to press reports, they weren't burning PCBs for two years. As a matter of fact, the total burning period of PCB was about 50 days. It started in January 1976 and went on for about a week that month. It didn't continue again until September or October following, and then with periodic burns it ended in April 1977.

During the time the experiment was conducted, the certificate was issued in January 1976; there was an experimental burn for five or six days and no PCBs for another six to eight months, while the certificate was still in effect. It is not stamped permanent it is not stamped conditional; it is just a certificate with certain conditions and requirements that have to be adhered to by the company during that experiment.

Mr. Gaunt: Well, I have heard all that before. The answer to my question is, no there has been no permanent certificate issued to the St. Lawrence Cement Company to burn PCBs.

Hon. Mr. Kerr: That's right, the answer is no.

Mr. G. I. Miller: But they can still burn

Mr. Gaunt: Please continue.

Ms. Bryden: I have just one more item I wanted to cover. With regard to the Trillium waste disposal plant, also in Mississauga I understand when it was first proposed the residents were quite concerned about whether the plant was adequate for the kind of work it was supposed to be doing. They obtained from the minister what they claim was an unequivocal guarantee there would be no harmful emissions resulting from the operation.

Hon. Mr. Kerr: Obtained from whom?

Ms. Bryden: From you, Mr. Minister. This was in a brief that they submitted last May to the meeting. Since then they continue to complain that there are noxious emissions coming from this plant and that the guarantee is not being lived up to. I understand a control order was placed on the company to make certain changes in the plant which were to be completed by October 30, 1977. This included the installation of an opacity meter, which was apparently just completed this fall, but ac-

ording to reports is not functioning completely properly.

(Could the minister tell us, since October is now past, does he consider the company in violation of this control order, or is he given them an extension of time? So, is he prepared to require the company, by either further control order or forcing this particular one, to modify its plant in whatever way is necessary to prevent any noxious emissions going in to the neighbourhood?)

Hon. Mr. Kerr: Yes, there is a control order that was originally issued about a year ago, if I remember correctly. It was then appealed by the company to the Environmental Appeal Board. It was dealt with there, where I understand our control order was upheld. So since early this year the company has been following the directions of the control order.

Apparently there has been some delay in keeping to every date in the control order. For example, I see an item here that says: "Due to unforeseen delays by a supplier, installation of the total organic carbon analyzer has not been completed. The installation is expected to be completed by November 21, 1977. Installation of the opacity monitor was delayed also; it is now completed, but initially some operational adjustments will be anticipated."

I understand now the completion date is November 30, 1977; I don't know where you got the end of October. That is the information that is here.

Ms. Bryden: So the control order has been extended for that date?

Hon. Mr. Kerr: That work should be completed now. Do you have some comments, Mr. Barr?

Mr. Barr: In answer to Ms. Bryden, I don't think the actual order was extended or amended, since we were slipping on some of the items, but not by a very great deal of time—just a couple of weeks, as the minister indicated—November 21 in some cases and the end of November in others. The actual order wasn't amended to pick this up. As the minister has indicated, there were certain delays in the installation of equipment, and also they are under incinerator repairs as well, so some of the sampling procedures which are all part of that control order weren't undertaken until just recently. But they have been completed now, during the month of November, rather than the month of October. So we slipped a few weeks on that.

Ms. Bryden: Do you feel that what is being required right now will remove the noxious emissions they are complaining about in the neighbourhood?

Hon. Mr. Kerr: We hope so. One of the problems there has been during the past few months. Of course the timing of the public meeting couldn't be worse, but the company's installing equipment and attempting to follow the directions of the control order has involved a certain amount of activity and construction around the plant, which in itself may cause some noxious emissions because of temporary shutdown or temporary adjustment to some part of its equipment. It's very short-lived, but there may be emissions for a couple of hours, and where there is not any type of treatment because of installation, that, of course, causes the neighbourhood some concern.

Ms. Bryden: I hope it will work, and if not, that more work will be requested. I understand Mr. Kennedy wanted also to share this topic with me.

[11:15]

Mr. Kennedy: Right. I've been very attentive to the conversation here.

Hon. Mr. Kerr: You see, one of the things that I think is required is some understanding by the public in the area of a plant of that kind. You know, this plant is not manufacturing some particular material; it's not a refinery; it's not making automobiles. It is handling industrial liquid waste and that, in itself, is a contaminant. One of the problems is how to dispose of this and destruct this in such a way that it will not cause a nuisance or aggravation to the neighbourhood. From time to time and certainly up to the first of this year, before the control order, the company was a little too ambitious with some of the material that was handled. The actual process there, the incineration there, was not such that it could handle all types of noxious material. They learned by experience, shall we say, and as a result of reaction from the public and the result of our control order, now they know just what capacity and capability the plant has. But as I say, the plant is there to help solve a very serious problem, and that is the disposal of industrial liquid waste.

Ms. Bryden: I understand that.

Hon. Mr. Kerr: So there has to be some understanding of what the company is attempting to do and what the ministry is attempting to do.

Ms. Bryden: And some understanding of commitment to the residents too.

Hon. Mr. Kerr: Right.

Mr. Kennedy: Mr. Chairman, I wanted to come back just for a moment on the St. Lawrence Cement proposed hearing: Mr. Minister, what progress has been made towards this meeting and the nature of it? When do you expect an announcement? What are the reasons that it hasn't been announced to date? What are we waiting for, in other words?

Hon. Mr. Kerr: I recall the meeting was held only last week in Mississauga.

Mr. Kennedy: No, I'm sorry, I meant the hearing. You indicated you'd try to have something within the week, and obviously there is a lot of putting together: the setting for the meeting, under what legislation—just when do you expect there might be some further information, or when we might expect to hear?

Hon. Mr. Kerr: There is no question that there'll be a decision some time this month as to what procedure will be followed.

Mr. Kennedy: I see, fine. Before the end of the month.

I wanted to speak of the Tricil situation. As the minister and the ministry are well aware, it's been ongoing correspondence and telephone conversations and so on. Some of these items that I wish to speak on have been mentioned, but in the letter of amendment from Mr. Murphy, the secretary of the Environmental Appeal Board, he amended the order and informed me in a letter dated April 12 that the order has been amended to read as follows: "By October 31, 1977, install equipment designed to continuously measure and record the opacity of the visible emissions from the incinerator stack, record the opacity of the visible emissions continuously during incineration, keep this record in a convenient location on the premises readily available for inspection by any provincial officer to assist in achieving compliance with the standard prescribed in section 8 of regulation 15."

I have this other status report, Mr. Minister, and I want to refer to the two. You said earlier the opacity monitor installation was delayed also. What is the date you now expect that to be in place?

Hon. Mr. Kerr: It's in place now.

Mr. Kennedy: It was to have been completed by November 21.

Hon. Mr. Kerr: No, that was the other total organic carbon analyzer.

Mr. Kennedy: Oh, I'm sorry yes. The opacity meter's in place. What's the status of the organic carbon analyzer, then, please?

Mr. Barr: As far as I know, it's in place.

Mr. Kennedy: Does this complete the control order, then?

Mr. Barr: Yes, Yes, as far as I know it is.

Mr. Kennedy: Is the plant completed and up to date, as was proposed originally? When the specs were drawn, were we involved in that? Who let the contract for that building? How was the ministry involved at the time of construction?

Mr. Barr: I think our involvement was in the approval process. The letting of the contract would have been Tricil's obligation rather than ours. I think the minister had indicated that in one or the other sessions here, the province provided the leased land arrangement for Tricil. The original intent was to build a plant in two phases, the first phase being the one we have today. The second phase, which would be further treatment for different types of waste, has been delayed, I think as has been indicated in the past, due really to economics of the situation. But the approval function was really the only function that the government had at the time of Tricil's application for the first phase of the plant, which is the one today.

Mr. Kennedy: So the working drawings, specs and so on, were presumably approved by the ministry?

Mr. Barr: Yes.

Mr. Kennedy: And on the basis, as we were told at the original public meeting, that it would provide sufficient destruction of the materials so that there would be no complaints from the neighbourhood. This hasn't happened, of course. To ask it again: Is the plant completed as per the original process that was to do this job without detriment to the neighbourhood?

Mr. Barr: To my knowledge, the original plant was built according to the approved specs and drawings. In addition, because of, let's say, the shortcomings of the operational side of it—and this is the reason for our control order—there have been changes in that; in other words, if you like, improvements to overcome the difficulties which have been experienced by the neighbours. This is really the reason for the control order. There are something like 10 or more items as part of that to improve the operating conditions, and also to improve the monitoring conditions of what comes out of the stack. So there has been a change in that, which I say is an improvement rather than any other compromise. It has been an "add on" rather than a "take away."

Mr. Kennedy: The addition of these two

last pieces of equipment doesn't really change the incineration process. It is more monitoring equipment.

Mr. Barr: Yes.

Mr. Kennedy: It doesn't seem to be operating satisfactorily now. For instance, I had a call on November 30, 1977, asking what was going on at 11:30 p.m. on November 29. Apparently to the ordinary eye it was belching out unacceptable emissions. Perhaps you could check and see if any calls went in.

I must say I think the people are not all that convinced that numerous calls have much effect and they are sort of resigned. I don't think they are calling as much as they did, though the problem is there.

Anyway, could you tell us what the analysis procedure is now? What happens when a load comes in?

Mr. Barr: I am sorry, could you repeat that.

Mr. Kennedy: I was switching to another subject, that is, another phase of it; the analysis of the material that comes in to be destroyed.

Mr. Barr: Because of the variety of waste and its sources, it is essential that these be analysed, because certain wastes are not acceptable for disposal at the plant. I think it has been said earlier that Tricil is not just in the destruction of liquid industrial waste, it is also in the hauling business, so they have a good record of the sources of waste from all their generators. They only accept from generators that they don't haul themselves to that location. They only accept unknown wastes if they have a good record of what the contents are.

So the analysis part, I think—to answer your question—is done by Tricil. This information is also available to us, but the actual analysis is done by themselves and a lot of this is provided, not necessarily at the Mississauga site, but also at the site of the generator. For each generator they have a contract with for the hauling and disposal of waste, they know exactly all the characteristics and the volumes in each batch that comes to their plant.

There would only be the unknown ones. If there is any or if they don't have a good record of what the unknown waste would be, they have advised us they won't accept it.

The analytical work is done by the company, not by ourselves—if that is helpful. Those records are available; so we know exactly how many gallons or pounds and so on, or what the characteristics are that are accepted at the plant.

Mr. Kennedy: I might say that at my most recent visit, of several, to the plant, I had a look at the small laboratory and I was told they check for conductivity, PH, specific gravity, and that seemed to be the limit there. Here we have material codes which are inorganic; of the organic materials—and it's a long list of about 15 or 20 organic items that can be received—but the testing I mentioned, of those inorganic items is that all the testing that goes on at the plant?

Mr. Barr: This may be the only testing done at the plant, but a lot of the testing has been done, or is being done at the generator—in other words—the source of the waste. If it's from Gulf Oil, BP Oil or a plating company, the analysis is done there, so they have a good record of what the wastes are from each source. They only do some quick checks at the plant, other than if they have to get into waste which they have no familiarity with. I'm told that they wouldn't accept it.

Mr. Kennedy: What area monitoring equipment is in place in and around the Clarkson vicinity now? Could you bring us up to date on that, please?

Mr. Barr: I can't give you the details of where our monitors are, where they're placed, or what they're analysing for in that type of thing. We can have this for you tomorrow if you want.

Mr. Kennedy: Could it be provided later?

Can we have information also on movement of equipment; whether any has been dismantled and if so, why? This was mentioned on one occasion and it was understood some had been dismantled or discontinued. They were portable units, but I'm not sure if they were owned by industry. I think Gulf has one of its own.

Another point: what is the procedure following these readings? What happens to them? I presume they go to the ministry, where they're analysed; but what happens then—if anything?

Mr. Barr: If the analysis of our monitoring arrangements or inspections determines that the contaminants are in excess of our regulations, then a violation notice would be issued. Several have been issued in the past, as you are aware.

[11:30]

Mr. Kennedy: The process of the control order, with the new equipment installed doesn't seem to be working. Can it be made to work to meet whatever standards you

have? You have standards of emissions, of fallout, and this type of thing? Can it be made to work? Can it do an adequate job? It just can't go on and on and not do the job.

If we're running the waste material through this incineration process and it's semi-combusted and the remainder falls out around the community—this isn't adequate. Can it be made to perform as residents were told originally, in all sincerity, I know. Yet it hasn't taken place. Can we bring it to those acceptable standards that were laid down and the public has every right to expect in the area? This is what we were told.

Mr. Barr: This is the intent with the extra controls that are provided here through the control order. Some of this equipment because of its early installation needed some checks and some evaluations to determine the accuracy of the monitoring equipment. It was installed late in November, so there are some bugs that have to be worked out to determine the validity of the accuracy of the equipment. It would be rather premature at this point in time to say it's working well and everything's fine.

The intent is to improve the conditions in the incineration of waste materials. It certainly will improve with the additional equipment we've installed. It will give us a better handle on what the emissions are—hopefully in compliance. As the minister said, we'd expect or hope this should be a marked improvement over conditions in the past. If not, further work will have to be done by the company to bring it within the necessary requirements. To say, therefore, that things have changed drastically in the last couple of weeks would be somewhat premature because I don't suspect they have.

Mr. Kennedy: Is there some of the organic material received that is giving more difficulty than other material in the combustion—in the incineration process?

Mr. Barr: This is the information provided to us by the company and I think there have been references to this before. The plant is operating at about half its designed capacity. This is dependent more upon the market or the availability of waste, particularly in the availability of combustible materials. Since it is not operating at capacity, because of the market conditions, these wastes are going to other sources rather than to the Tricil installation. This has complicated the effective operation of the plant.

The closing of Beare Road in Metropolitan Toronto in the foreseeable future would in-

dicate to us, and I think to Tricil, that more and more waste would be sent to Tricil for operation and for incineration. It would be felt that most plants that operate at under-capacity, don't operate as well under those conditions as they would when they approached capacity. This has been found in waste treatment plants in general or even in water treatment plants. Since the plant is only receiving about half what it is designed for, this may result in some of the difficulties that we've been experiencing in the last couple of years.

Mr. Kennedy: I don't think they're doing a total job of incineration. We were told they're burning at 2,200 whereas the requirement or the regulation temperature is 1,600 and 1,750, 20 feet up the stack. Is this in fact what they're doing—burning beyond the laid-down criteria?

Mr. Barr: I think where we've had difficulties in the past is where they haven't burned at a high enough temperature depending on the type of waste. This has been caused by the lack of good combustible materials coming in as waste materials. To reach the stack temperatures they must supplement the waste materials with artificial fuels, natural gas and this type of thing. So then it becomes somewhat of an operating judgement on the particular materials they have; whether they are sufficient on their own, with some auxiliary fuel, to reach the operating temperature. I think the difficulties occurred because they haven't operated at the operating temperatures that they should have on all occasions. And this has resulted in the plumes.

Mr. Kennedy: But the manager said they are burning 600 degrees above the requirement and we still get complaints.

Mr. Barr: I don't think I can answer this morning that when they burn at the high temperature there is no complaint or there is a complaint. I don't know whether we have been able to tie that—

Mr. Kennedy: I don't relate the complaints to the temperature. You have to try to match that up, but even if they are burning in excess of the requirements it is still questionable. It's not just a simple answer of raising and raising the temperature and eliminating the plume that is emitted.

Hon. Mr. Kerr: How do you know, when there is a complaint, whether or not they have been operating at a high temperature?

Mr. Kennedy: We don't. That's what I was saying. I have no idea.

Hon. Mr. Kerr: It may be that operating at a high temperature is the answer then?

Mr. Kennedy: I don't know, but I know this is what the manager told me. Whether he meant that this was ongoing every day—I just can't see them doing that—just for their health, to send it up to 2,200. That's what I was told about it.

What role does the research foundation play? We were out there a couple of weeks ago and I know they are further ahead than many jurisdictions in their research into waste disposal. Did they work with you with Tricil?

Mr. Barr: Not to my knowledge. They have done other work—we talked about this the other evening—on pilot projects. I think Mr. Gaunt raised this on what work they had done in the destruction of waste by bacteria. I don't know whether they have had direct involvement with the Tricil operation. They have been looking, and have done some experimental work—which I think is continuing—on other methods of liquid industrial waste destruction, rather than by incineration.

Mr. Kennedy: But you do work with them and give them assignments now and then?

Mr. Barr: Yes.

Mr. Kennedy: With the whole Tricil operation and the energy crisis we are facing, one wonders if the whole philosophy of it is right. Here we have energy going up the flume in considerable volume—if you are around the base of that plant, the heat is terrific—yet it isn't used to generate electricity or any other manufacturing process. For instance, here downtown, they generate steam and sell it to the railroad, the Royal York and so on.

I wonder in light of the events of the last six or seven years since this went in, if in fact they are on the right track and if there might be a look in this direction to see if we can't do two good things at the same time.

Mr. Barr: At the moment, Tricil is operating on a shortage of let's say combustible materials because of the market. This is the reason the economics are in some doubt in that they have to augment by auxiliary fuels, whereas if they had sufficient volume of combustible materials—waste materials, this would be an energy saving situation for them and certainly help to solve a very serious problem in the total disposal of these wastes.

It is analogous to the chicken and the egg; as long as these materials go to sources other than incineration, there is going to be no improvement in the market. I think Mr. Miller was commenting on this the other night, that

it's a total problem, part of which is solved by incineration such as the Tricil operation, part of which could be solved by St. Lawrence Cement. The minister had indicated deep well disposal for certain wastes in the Sarnia area which we are developing. These are wastes which would be handled there which can't be incinerated, can't be recycled, can't be reused. At the moment there is just no technological method for handling those. So they have to be put down a deep well for disposal. So it is really a combination of a number of different methods, Tricil being only one. Their other plant at Sarnia is an extension of incineration as well but they also do some fixation there and recovery of spent materials which will be used for other purposes.

So I don't think there is any one simple answer. Mr. Miller was commenting on whether we were looking at the problem totally—employing all the different methods and the various sources—so that we can reuse materials that are presently being wasted and can also conserve some energy at the same time. And I think this is our objective.

Mr. Kennedy: It seems a bit ironic that St. Lawrence should be destroying PCBs along with fuel they pay for and on the other hand there are producers of flammable or combustible material and they pay to have it delivered. One producer gets paid for material by St. Lawrence, while the ones who use the Tricil plant are obliged to pay to take it away. I guess they both burn.

Hon. Mr. Kerr: Of course, Tricil is not using it as fuel.

Mr. Kennedy: No, but it still burns. It's combustible.

Hon. Mr. Kerr: That's the point we have been attempting to make with respect to St. Lawrence Cement.

Mr. Kennedy: I know. I think it is a good one.

I have one other point. As I said, I am not satisfied the plant is doing the job. Whether it can or not is up in the air. I wonder whether it needs a total analysis to see if it can do the job. Last year in estimates, Mr. Minister, you mentioned maybe we will have to get into some sort of financial assistance program to assist industries of this kind to enlarge the plant and install the equipment that will enable them to handle all types of waste. Maybe those are prophetic words. Do you feel that the ministry getting more closely involved with this operation, which is run by private enterprise on behalf of our people to get rid of these wastes, needs some kind of a

joint venture effort with government to see if it can do the job?

Hon. Mr. Kerr: Yes, that is what we are proposing in the Sarnia area. I don't know if you would call it a joint venture but it's the government working with Tricil in the township of Moore in the Sarnia area. It involves opening up a Cambrian well which would involve pre-treatment at ground level prior to disposal in the well. We would probably take over or lease that facility, and then tender it out for operation to a company in that type of business. This would involve some financial commitment by the government.

Mr. Kennedy: Finally, I want to say that the operation is going on now and, as I said earlier, is apparently not doing the job. Certainly it is not acceptable. We look forward to improvement so that these obvious deficiencies are eliminated. I would like to continue to be, and will be, in close communication with you on this. It is most discouraging. There was a time when it seemed to be working quite well for two or three years. There were no complaints and I think things were going along quite well. At least, we didn't hear any complaints.

[11:45]

Then there was this mercaptan incident that blew the whole thing wide open. Ever since it's just been ongoing for two to three years—whatever the time is since that occurrence. What also was discouraging—we hold the meeting on November 29, and on November 30 I get a call. At 11:30 p.m. it was just belching out there as black as it could be, and you didn't need any instruments. A man with one eye could tell that it was beyond the tolerance limits.

Hon. Mr. Kerr: Just one point: You asked about monitoring stations. I know you wanted the exact location, but we've got about 55 air quality monitoring stations in Mississauga. I would assume that most of them are along that strip, along Highway 2, where you've got most of your heavy industry.

Mr. Kennedy: I see. But are some of those related to individual plants? Or are they general monitors just to catch whatever's going by?

Hon. Mr. Kerr: They would be located near plants such as Tricil and it would be the type of monitoring where you could distinguish, for example, sulphur dioxide, SO₂, NO₂, various types of particulate matter. It's able to distinguish that. We know what's coming from Tricil so that we can get an idea whether or not Tricil is impinging to an

extent that there should be some adjustment by the companies.

Mr. Kennedy: Fifty-five in Mississauga. How many in Toronto, in Metro? That seems to be a very high number. I know it's a city. You could get it later for me.

Mr. Makarchuk: See what you're doing to the property values up there by talking about this.

Hon. Mr. Kerr: Toronto city, 140. That's just the city proper. Then there are 65 in Scarborough, 30 in North York, 66 in Etobicoke, six in York. York must be pure.

Mr. Riddell: I've just got one short matter. There are frequent rumours and constant fear that Ontario Hydro is going to construct a generating plant somewhere between Goderich and Grand Bend—anyway in Huron county which I represent. The effect of that would probably be the loss of the bean industry due to the pollution that would come either directly or indirectly from such a plant. Before that project went ahead, would Ontario Hydro be required to do an environmental impact assessment? If there were objections, would it go before the Environmental Assessment Board? I just want to clear up some of the fears that the people have in that area.

Mr. Caplice: Hydro has talked about E15 and E16 before the Porter commission as the next two stations in its planning. I'm not aware of them looking seriously in that area. I think the most serious look I'm aware of is in the north channel of Lake Huron where they've had a lot of advance public participation. I believe they've also talked about looking at Ottawa on a site that they own there for either E15 or E16, and they've also talked about doubling the capacity, I believe at Wesleyville, for one of those stations. I have not, in my look at Hydro over the last year, heard them talking about this particular site in Goderich. That was a very topical one about three or four years ago or maybe five, but I haven't heard it in recent discussions.

Mr. Riddell: If one is to look at their proposed grid system, they definitely have a point on their map somewhere in the Blake area which is south of Goderich. My question simply is, before they went ahead with such a project, would they be required to do an environmental impact assessment?

Mr. Caplice: Yes.

Hon. Mr. Kerr: I really haven't answered your question, Jack. Certainly from what Mr. Caplice tells me and the information I have, if E15 and E16 are the plants that you're

concerned with, they are earmarked for an environmental assessment.

Mr. Makarchuk: Mr. Chairman, are we still dealing with air pollution or can we move on to the next one, water pollution?

Mr. Chairman: You're the last on this.

Mr. Makarchuk: My questions are on water pollution. Could we carry the air pollution vote?

Mr. Kennedy: Mr. Chairman, could I ask a supplementary of the minister? Could we arrange, say, after the first of the year to meet with some of the residents to discuss further the situation in Mississauga?

Hon. Mr. Kerr: You might speak to me about that.

Mr. Kennedy: Okay. Thank you.

Mr. Chairman: Mr. Makarchuk, we've covered pretty well all the items on vote 2002, so you can go on to water pollution.

Mr. Makarchuk: Just go all over the place? Okay, fine.

Mr. Chairman: The time is limited because tomorrow at 12:30 we wind up the estimates and the supplementaries.

Mr. Makarchuk: Right, so I gather. Mr. Minister, the question I am concerned about is the matter of the chlorination of organic matter in water. Apparently, this is a problem that's been raised occasionally in the House and there is more information that's coming out indicating that it is dangerous, that we underestimated the problems of the resultant chemicals causing cancer. I understand you're working with a new method using ozone in Belleville. But in Brantford, in our case, we're still involved in chlorinating the water which is highly organic. Could you give some indication what your immediate intents are to deal with this problem?

Hon. Mr. Kerr: As you said, there has been a lot of opinion, whether it's expert or not, regarding the chlorination of drinking water. There's a great difference of opinion within the scientific community itself. You'll have somebody giving a paper at some symposium saying chlorination causes problems and we should be looking to ozone or some other type of sterilization or purification. The best opinion we have is that chlorination is still the best method of purifying water. It's still the safest method. As you say, we've got an experiment going on now in Belleville to attempt to test other methods to see what the result would be. Belleville, like Brantford and Cayuga and some other municipalities, has had high levels of chloroform that have concerned us. That's why the experiment is going on at Belleville.

These are in plants. It's the first time that I'm aware of that we've had a full-scale plant study, rather than a lab study. I'm hoping that as a result of that and as a result of some of the studies that are going on and have been going on in our own laboratory, that we can come to some definite decision as to what is the best method of purifying drinking water.

Mr. Makarchuk: Mr. Chairman, the point is that some of the opinion indicates it could be dangerous. When you're caught between the possibility that it may be dangerous or it may not be dangerous, then you probably would err on the side of trying to be safe. You will do everything you can just in case the person who's offered the negative opinion may be right.

There is a considerable amount of opinion about that it is dangerous. Recently there was a presentation in Toronto indicating that the danger was greater than what it was earlier felt to be. What I'm concerned about is that there are a lot of other communities in Ontario that are caught in this kind of bind, not only Brantford.

As you say, you're trying in Belleville to try to develop or evolve a new system using something else. Instead of just trying to take care of the problem after it happens by chlorinating their organic material why not prevent the problem from occurring. You have been promising us for years and years now, since 1967, if I remember correctly, that you are going to clean up the Grand River. It has been allowed to degenerate which points to the competence of government, among other things.

Have you considered it might be time to start insisting that the communities upstream—you have them located and you know who they are and you know where the pollution is coming from—start cleaning up some of the mess; that they start hooking their storm sewers, which are being used as sanitary sewers, into the sewage treatment plants? They should start unhooking the outfalls from the residences into the storm sewers and getting proper sewage systems within the communities as well as proper sewage treatment plants.

There are two reasons: The first is aesthetic. It would be nice to have a clean river somewhere in Ontario, and to indicate to the people of Ontario that you are serious about cleaning up the mess that has been created. The second is the danger inherent in drinking water that has been chlorinated from the rivers. I would like to hear your comments on proposed cleanup operations.

Hon. Mr. Kerr: As far as the cleanup is concerned, the Grand River is not getting

worse. However, I would think that the Grand River conservation authority may have some responsibility in respect to water quality, as well as our ministry. Rather than be concerned about recreation and things of that nature, they could have contributed greatly on the input of water quality. We have a specific study going on now—you raised the point of storm sewers in some way being connected to sanitary sewers, or something of that nature.

Mr. Makarchuk: No. The other way around, your sanitary connected to your storm.

Hon. Mr. Kerr: What the hell is the difference? One is connected to the other, which one goes in and which one goes out—

Mr. Makarchuk: As the Minister of the Environment I should hope you know the difference.

Hon. Mr. Kerr: The fact is that there is a sanitary sewer and a storm sewer and they are joined, and it causes some problems.

Mr. Makarchuk: That's right, and if your sanitary enters into the storm and the storm enters in to the stream—

Hon. Mr. Kerr: As I say, we have a study going on at the present time to identify where that is taking place, and at what locations. That, of course, is contrary to any legislation we have and will be acted on accordingly. There is also some local responsibility in situations of that kind.

Getting back to the question of water treatment, as a result of the various studies that have been going on, there were two alternatives posed to the government. One would be to discontinue the use of chlorine and use an alternative disinfectant. The other would be to remove the reacting material from water prior to chlorinating. We have elected to go the second route, on the basis that we have substantial knowledge about chlorine. We can reduce the haloform production by about 80 per cent by eliminating certain organics in raw water that produce the haloform.

During this past year, we ran site plant tests to confirm the data. So we are aware of where there is this chloroform problem. We are reducing it prior to the actual treatment going through the plant because, as I say we are not aware of any proven alternative procedure which is any safer or better than chlorination.

Mr. Riddell: What about bromine that is used in a lot of swimming pools in place of chlorine?

Hon. Mr. Kerr: Would that be as a balance for the pool, dealing with certain things such as algae or certain types of develop-

ment? You use chlorine, and you have to have a pH or something like that as part of the water treatment. Are you saying that bromine—

[12:00]

Mr. Riddell: I don't know. I just know it's being used more extensively by people who have swimming pools, not that that has anything to do with drinking water. I was just wondering about bromine as an alternative.

Hon. Mr. Kerr: The deputy minister, who has a pool with a bubble in his backyard, will explain it to you.

Mr. Sharpe: Bromine isn't considered as good or effective as chlorine for a number of reasons. One of the difficulties is regulating the dose. It has to be a lot more accurate than in a swimming pool when you're applying it to water quality for drinking purposes. It has inherent testing and control problems on the larger scale of municipal fluorination or disinfection. It's far more expensive, and doesn't do the job quite as well.

Mr. Riddell: Okay.

Mr. Makarchuk: You haven't answered whether you're going to try to do anything about the communities dumping raw sewage into the Grand at this time. You said you're looking at it.

There are all sorts of reports—I've seen some of them—indicating which communities are dumping. You've localized the sources where it's coming in, from certain areas.

Hon. Mr. Kerr: Have you got the names of the communities dumping raw sewage into the Grand River?

Mr. Makarchuk: Some of your own Grand River reports—

Hon. Mr. Kerr: No. I would like you to be specific.

Mr. Makarchuk: Next time I'll try to bring the booklets. The monitoring has been done. They've got a stack of computer printouts from various sources along the river. You know where it's coming out. You've even published the details. You've indicated exactly where they are. If I have the information, if I've seen it, I'm sure you or somebody in your department must have some ideas. Perhaps we don't know the exact storm sewer, the exact sanitary sewer or that kind of information; but if you know the community you can trace it without too much difficulty. That's one point.

The other point is, you said the GRCA is concerned about water quality. When I was on the board of governors of that organ-

ization, that was one of the things I used to argue about with the management. I sometimes question their ability. They should show some concern about water quality. They insisted water quality was not their responsibility. If you feel it's their responsibility perhaps you should convey the message to the Grand River Conservation Authority and tell them this is something they should look at. Their concern was basically with flood control and, peripherally, recreation.

Are you at this time instituting any kind of program in terms of trying to get proper sewage treatment on that river?

Hon. Mr. Kerr: We have communities on that river—is Guelph on the Grand River?

Mr. Makarchuk: It's a tributary.

Hon. Mr. Kerr: What other communities?

Mr. Makarchuk: Elmira.

Hon. Mr. Kerr: Kitchener-Waterloo is on the Grand River.

Mr. Makarchuk: Elmira is one of the ones you've—

Hon. Mr. Kerr: They've had treatment. Brantford has sewage treatment facilities.

Mr. Makarchuk: That's the other point I wish to raise.

Hon. Mr. Kerr: If you can name some specific communities—

Mr. Makarchuk: I'll write you a letter from the information you've provided me.

Hon. Mr. Kerr: —the municipalities that haven't got sewage treatment, we'd be prepared to look at it.

Mr. Makarchuk: In the ongoing battle of the Brantford sewage treatment plant, have you made any decisions in terms of whether the government is providing \$1.5 million? The regulation you have is that if the plant provides treatment for two or more municipalities the government will provide a certain amount of funding—10 per cent or 15 per cent of the cost of the treatment plant. Has that been hashed out?

Hon. Mr. Kerr: We now have a new policy that will help Brantford. We will provide grants to the extent of 15 per cent of the capital costs. Brantford is serving more than the city.

Mr. Makarchuk: That's right.

Hon. Mr. Kerr: Where works overlap city boundaries and are helping other areas we will subsidize them to the amount of 15 per cent.

Mr. Makarchuk: Is this a fairly definite decision? I want to know because it has been kicked around for a few years and Brantford

has to build the extension to the sewage treatment plant because of pressures of growth. We are one of the few communities in Ontario that has a fairly high active sort of work force and it's all working.

Hon. Mr. Kerr: We advised the city on December 2 that it would qualify for this help.

Mr. Makarchuk: Okay, that's all I have at this time then, thanks.

Mr. Gaunt: Is it my understanding, Mr. Chairman, that we are dealing with the whole vote now?

Mr. Chairman: That is correct.

Mr. Gaunt: First of all I want to talk about the pulp and paper industry with respect to what's been going on this last few years in this industry. I think your Environment ministry officials have indicated that as far as they are concerned, they feel the industry is 11 years behind in its commitments to clean up the mills, and in essence the industry as a whole is still stalling on many of its commitments.

I think Mr. Turner of the pollution control branch was quoted in the Kingston Whig-Standard of October 21 of this year as making some very accurate observations with respect to what's been going on in the pulp and paper industry. Essentially, the pulp and paper industry is still a major polluter in the province of Ontario. In 1965, the Ontario government issued a directive to all pulp and paper mills in the province to start on a pollution control program. Up until that time they had really done nothing on their own. Now we are almost 13 years later. Where are they?

I think it's fair to say, as Mr. Turner has pointed out in this article, "The ministry is still trying to push them and certainly they haven't proceeded at a rate commensurate with their ability." Mr. Turner continues: "As far as the second phase of the directive, the 1965 directive, goes, which should have been achieved in 1969, very little has been accomplished in this regard."

Then the article goes on to mention that another spokesman for the ministry charged that of the 40 or so paper mills in Ontario, "31 are discharging waste directly into surface water." I believe the pulp and paper industry discharges about 1.7 million pounds per day of biochemical oxygen demand, 87 per cent of the total industrial BOD discharge. It discharges 540,000 pounds per day of suspended solids, fully 60 per cent of the total industry SS discharge.

This goes on and on and one wonders what sort of resolve the ministry has in this regard.

The industry, according to the minister, has not been able to clean up on schedule because many of these plants are old. I suggest to the minister they are not getting any younger, they are getting older.

The annual report indicated the ministry had made substantial progress this year in trying to clean up the pulp and paper industry. As a matter of fact, I think the exact quote is: "In 1977, in particular, progress was achieved in controlling the discharges from pulp and paper operations, a major environmental concern in Ontario with the issuance of more than 10 control orders for mills in Ontario."

I take one of those control orders, the one for Abitibi Forest Products Limited at Thorold, as an example because it's really the simplest. It says: "On or before June 30, 1978, to submit to the director a report indicating the facilities to be installed in order to (a) reduce the level of suspended solids in your mill effluent to 1.5 tons per day. (b) Reduce the level of BOD in your total mill effluent five tons per day. (c) Reduce the level of PCBs in your total mill effluent to below detectable limits."

That doesn't happen before June 30, 1978; there is still a ton and a half of suspended solids going in; there are still five tons of BOD going in. That's only one plant out of a total industry of 30 or 31 plants where you are having problems.

Now, in this year, 1977, you claim to be getting serious about this pollution problem even though the industry is about 11 years behind in its cleanup program. Are your people and is your ministry going to remain firm in its desire and thrust to clean up this industry?

Are you going to permit any more extensions? Are you going to permit any more exemptions with respect to this ministry? I say to you as kindly as I can under the circumstances, surely to goodness you are now going to get serious about cleaning up this industry. It's about time. It's long overdue and I certainly hope the minister is going to stick to his guns with respect to cleaning up this industry. Hopefully there won't be any more extensions. There won't be any more exemptions. Am I accurate in assuming that?

Hon. Mr. Kerr: That phrase that "the industry is 11 years behind" is a lot of nonsense. The industry has spent approximately \$120 million. The first control orders were issued around 1965 or 1966. That is about 11 years ago; if they have spent \$120 million since that time, they can't be 11 years behind. It takes a little while to spend \$120 million.

However, there's no question that the industry is behind. There are some mills that haven't met our directives in respect to the treatment, for example, of BOD or suspended solids. Around 1970 and 1971 there was the mercury problem with a number of mills. That has been resolved. There are no pulp mills that I am aware of that are using mercury in their process or that are a problem from the point of view of mercury contamination. That, of course, costs money. It cost Dryden \$5 million. It cost American Can \$64,000 by way of a fine and they have closed down that process in the Thunder Bay or Marathon area.

I can give you some answers to the question of our orders in 1965. As a result of that, the industry began installing primary treatment systems, with basic facilities complete in most mills by 1973. Suspended solids were reduced from 1,400 tons per day in 1960, to 1,000 tons per day in 1964, to 270 tons per day by 1974. Five-day BOD was reduced from unknown levels to 900 tons per day in 1974. So that is basically what was done during those early years. [12:15]

I mentioned the question of mercury from chloralkali plants in various parts of the province. We've instituted prosecutions against at least five mills over that period of time. As the hon. member is aware, we have issued control orders on mills where there has been more of a problem than in others. There is no question that they are behind times and, as I've indicated before, as a result of our ministerial in-house studies on the economic situation of these mills and what capabilities they have to meet our control orders, we laid charges against three different companies about a year ago. One company was Abitibi which has about eight or nine mills in the province. I think the company has got the message now. It is under a control order. It is committed to spend \$44 million. That will result in one plant being partially closed down in Thunder Bay to enable them to meet our BOD and suspended solid criteria. The same will apply to other companies.

The company indicates it has been having problems economically. With the development of the pulp and paper industry in the southern US, the competitive position of those mills in Ontario has been seriously damaged.

Mr. Gaunt: We talked about that before.

Hon. Mr. Kerr: Yes. The price of a cord of wood in Ontario is much higher than in the southern US. So it's a problem. Our

ministry's objective is to require the mills to clean up and to meet our standards. However, as we go towards that objective, these are the type of points that are made by the companies. There may have to be some mill closings if they have to meet our requirements overnight.

We have imposed control orders, R and Ds and programs on these mills which we feel they can meet, regardless of the economic conditions of those plants. We are satisfied that if we stick to this—and there is no intention at this time to extend these orders—the companies can stay in business. There are sufficient incentives available, government assistance to allow these companies to meet our standards and, at the same time, not be put in the position where their only alternative is to close. If a mill is a serious contamination problem, there has to be a decision by the government whether or not to give more financial incentives to assist that mill to meet our standards and to remain in operation.

You keep saying, "It's the greatest single polluter in the province." What other manufacturing source that you're aware of has 31 plants in Ontario? There isn't any. So they are bound to continue to be the largest source of contamination, to some degree, in Ontario regardless of what we do. They'll always be using receiving waters to some extent, as a result of their manufacturing process.

If you're talking about complete purity, complete non-impingment of pure water quality, you're always going to have a problem with a pulp and paper mill, by the very nature of its operation adjacent to some stream or river in the province. Our objective, of course, is to clean it up within a technically possible degree, based on the knowledge we have and based on our standards.

Mr. Gaunt: I don't want to prolong this. We talked about it in the opening statements. We discussed the economics of it there. The member for Beaches-Woodbine (Ms. Bryden) did as well, and I don't want to prolong it because we are under a severe time constraint in these estimates. Let's take a look at the economics for a minute.

In the year 1971, which was acknowledged to be a bad year for the pulp and paper industry, before-tax profit margins of most mills was between \$8 and \$30 per ton of product. Those margins were well above the pollution abatement costs, which most experts estimate to be in the neighbourhood of \$5 per ton of product. I don't

think there's any question that those mills, even today, can afford the abatement equipment, which they're required to install in order to control their pollution.

Hon. Mr. Kerr: Abitibi will tell you that three mills in northern Ontario lost money in 1976 and 1977. Reed will tell you they lost about \$6 million or \$7 million at their plant in Dryden. These are the types of things they'll tell you and they'll show you figures that will confirm that.

Mr. Haggerty: They don't want to talk about the good years though.

Hon. Mr. Kerr: No. There's been a great fluctuation in the industry between 1970 and today. There is no question about that. A lot of it has to do with the devaluation of the dollar, as the hon. member knows.

Mr. Gaunt: Your own report, the Donnan and Victor report said they could afford it and any suggestions to the contrary were misleading. I hope the ministry, having taken what I consider the wet noodle approach in trying to get them to clean up and not succeeded, gets a little collective cement in its spine and sees that it is cleaned up, because I think it's gone on far too long.

The other matters which I wanted to deal with have to do with the Great Lakes pollution problems and the guidelines for sewage sludge utilization on agricultural land. I'll try to clean that up. Do we quit exactly at 12:30, Mr. Chairman?

Mr. Chairman: Yes.

Mr. Gaunt: First of all, I will deal with the matter of the Great Lakes pollution. I was interested to learn in the annual report and other sources that the mercury levels in the St. Clair River and Lake St. Clair have been dropping. I think that is certainly an encouraging sign. Further, the phosphorous concentrations, particularly in the near-shore waters of western Lake Erie, have decreased markedly, up to 50 per cent I gather, with a corresponding 42 per cent decrease in the amount of algae in the water.

The one thing that has been happening is, perhaps, tied, to an extent, to the usage of sewage sludge on agricultural land and the fact that we haven't implemented the guidelines governing the amount of heavy metals allowed to be present in this so-called fertilizer.

I think we have adopted some guidelines as it pertains to distances from streams and so on, but I don't think we have really adopted the guidelines governing the amount of the heavy metals contained in this pro-

duct. Notwithstanding the fact that the interministerial committee was formed in 1971 and has continued to operate, I gather, throughout, we still don't have the adoption of those guidelines.

The minister, in response to a question by my leader on April 22 of this year, indicated that those guidelines were being applied; but I presume that the minister was referring to the guidelines with respect to distances from streams, and so on. Those guidelines are being applied, I recognize that. But I don't think the guidelines indicated in the document, "Provisional Guidelines for Sewage Sludge Utilization on Agricultural Land, September 1976," have been applied.

Those guidelines have been in draft form for, I gather, about two years, and still no decision has been made. I have to wonder why. It is estimated that 133 out of 210 chemical sewage works in Ontario are presently spreading their sludge on farmland; about 40 per cent of the sludge presently being spread on agricultural land is acceptable for land utilization in terms of the guidelines—in other words 60 per cent is not acceptable.

The Ontario Ministry of Agriculture and Food has already clearly stated that without guideline implementation it will be unable to recommend the use of sludge as fertilizer supplement to farmers. The total area of agricultural land presently receiving sewage sludge is approximately 103,000 acres. An examination of 54 plants has indicated only 19 that would be acceptable under your guidelines.

I think this does suggest a potential hazard, and I think it could show up in terms of Great Lakes pollution and the amount of heavy metals that we will witness in the Great Lakes in the next few years. What is the delay in bringing forth these guidelines? Would the minister not agree that a possible solution to the problem would be tighter control of municipal sewer use bylaws which would force industry to reduce the levels of metals discharged to municipal sewers? I realize that it is going to thrust an added cost on to municipalities in order to do this, but perhaps that's the only answer in order to improve the sludge quality.

I want to ask the minister that, and I want to also ask is the ministry monitoring the matter of lead pollution in the Great Lakes and other heavy-metal pollution? I understand that lead pollution—the presence of lead itself—can be broken down by certain bacteria within the lakes so that it can be in-

gested by fish. I am wondering if you are monitoring that situation closely.

Hon. Mr. Kerr: Dealing with sewage sludge, as the hon. member has said, we have guidelines now, and there have been substantial laboratory and field studies undertaken with a major research group working at the University of Guelph. We have identified the type of metals present in sewage sludge. We have a plan now for province-wide implementation of the guidelines. We have worked, as the hon. member said, with the Ministry of Agriculture and Food, and our two ministries will administer the activities of guideline implementation.

[12:30]

We have had some studies also in the Windsor area and some ongoing studies within operating plants. But as the hon. member implied, we are having a little problem with those municipalities that operate their own plants. There is no question that there will be a substantial increase in costs of the operation of those plants if the guidelines are implemented.

It may be somewhat like our requirements in respect to phosphorus removal, which as the hon. member knows has been a very successful program, but it imposed further costs on municipalities. They were ultimately prepared to meet those costs—with some arm-twisting, no question—but the same situation exists here. It may be that some type of further assistance will have to be arranged for those municipalities that operate their own plants.

We have many plants in Ontario that are operated alone by the province. There will be no problem there. At least we can start on those immediately. What we learn from those operations can ultimately apply to all plants in the province. Municipal sewer bylaws, whether or not there would be further pre-treatment, for example by industry—there is as you know a great competition going on by municipalities to have industry within their boundaries.

Sometimes there is a reluctance to require that industry to have some type of on-site treatment prior to disposing of their waste into the sanitary sewer system. I think this is what municipalities are going to have to do, rather than overloading and contaminating and creating sludge problems within these municipal plants. The companies concerned should have some form of pre-treatment, or be assessed an extra cost as a result of improper sludge disposal.

Mr. Gaunt: What about the Great Lakes? Are you monitoring that for heavy metals?

Hon. Mr. Kerr: The answer is yes, but a staff member will tell us the extent of it.

Mr. Steggle: We have joined with the federal government and the United States government in assessing the extent of the lead contamination of the lakes. It has been recognized as another heavy metal problem. Particularly, I believe a report was given last July on the distribution of lead in Lake Ontario, as well as the other lakes. The concern has been that Lake Ontario has become the ultimate repository of many of the heavy metals and other contaminants.

Mr. Gaunt: This is reflecting itself in the fish, and somewhere along the line we are

not going to be able to eat the fish because of lead and other heavy-metal contaminations?

Mr. Steggle: That is the concern. I don't know that all the data are available at this point to give that assessment. But certain of the metals have been identified as accumulating—the mercury particularly.

Mr. Chairman: Thank you very much, ladies and gentlemen. We will adjourn until tomorrow at 10 o'clock. We are still on vote 2002. Ms. Bryden, you are next on the list. Did you want to discuss vote 2002? Fine. We shall adjourn until tomorrow morning at 10 o'clock.

The committee adjourned at 12:35 p.m.

CONTENTS

Wednesday, December 7, 1977

Environmental Assessment and Planning Program	R-1077
Adjournment	R-1099

SPEAKERS IN THIS ISSUE

Bryden, M. (Beaches-Woodbine NDP)

Gaunt, M. (Huron-Bruce L)

Haggerty, R. (Erie L)

Havrot, E.; Chairman (Timiskaming PC)

Kennedy, R. D. (Mississauga South PC)

Kerr, Hon. G. A.; Minister of the Environment (Burlington South PC)

Makarchuk, M. (Brantford NDP)

Pope, A. (Cochrane South PC)

Riddell, J. (Huron-Middlesex L)

Ministry of the Environment officials taking part:

Barr, J., Assistant Deputy Minister, Regional Operations Division

Caplice, D. P., Director, Environmental Approvals Branch

Giles, J. W., Assistant Deputy Minister Environmental Assessment and Planning Division

Linzon, Dr. S.N., Supervisor, Phototoxicology Section, Air Resources Branch

Macdonald, J. C. F., Director, Project Co-ordinating Branch

Sharpe, K. H., Deputy Minister

Steggles, W. A., Environmental Technical Adviser, Environmental Assessment and Planning Division



Legislature of Ontario Debates

Official Report (Hansard) Daily Edition

Resources Development Committee

Estimates, Ministry of the Environment



First Session, 31st Parliament

Thursday, December 8, 1977

Speaker: Honourable John E. Stokes

Clerk: Roderick Lewis, QC

CONTENTS

A list of the speakers taking part in the debates in this issue of Hansard appears, in alphabetical order, at the back of this issue.

Daily contents of proceedings also appears at the back of this issue. Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff. Phone 965-2159.

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LEGISLATURE OF ONTARIO

THURSDAY, DECEMBER 8, 1977

The committee met at 10:03 a.m.

ESTIMATES, MINISTRY OF THE ENVIRONMENT (concluded)

Mr. Chairman: I see a quorum. Ladies and gentlemen, members of the committee, when we adjourned yesterday, Ms. Bryden had the floor and we were still on vote 2002. I would like to remind the members of the committee that we must complete the estimates by 12:30, including the supplementary, so I would suggest that if you want to go through certain sections of whatever votes you have to talk on, be as brief as possible and precise as possible.

Before we go ahead, the minister has asked me to read a release here. He says: "We have not succeeded in answering all of your problems. The answers we have found only serve to raise a whole set of new questions. In some ways we feel we are as confused as ever, but we believe we are confused on a higher level and about more important things."

Hon. Mr. Kerr: Somebody secretly sent that in, script yet.

On vote 2002, environmental assessment and planning program:

Ms. Bryden: I'm going to say a few things on water resources, but I don't want to repeat some of the very cogent points made by—

Mr. Chairman: Excuse me, if you complete your questions now on vote 2002 will that complete your discussion on this vote, so that we can proceed to the next vote?

Ms. Bryden: I did have one or two questions on the environmental assessment part.

Mr. Chairman: Yes, well, you could include that in this.

Ms. Bryden: Okay. As I say, Mr. Gaunt raised some very important questions about what's happening to our water resources, but what concerns me is that we appear to have made almost no progress in cleaning up the Great Lakes, according to the latest annual report of the Great Lakes Water Quality Board. It has now produced a list of over 50 toxic substances with known adverse effects

on public health and aquatic life, which have been identified in the Great Lakes. This is a matter for great concern.

The polluting pulp and paper companies have made our lakes and rivers generally a public sewer. Since the 1965 cleanup guidelines were issued by the government, several mills have actually increased the amount of pollution they are discharging into our water. As a result, this resource is being destroyed for other purposes such as swimming, fishing, boating, tourism, and even drinking in some areas.

Sewage treatment costs are rising. Livelihoods dependent on water, such as fishing and the tourist industries, are disappearing. The government's response has been the aborted Dow Chemical suit, guidelines without teeth, delays in setting appropriate standards and minimal prosecution activity. As the guardian of this common resource it seems to me that it has failed to carry out its obligation.

Take the pulp and paper industry, for instance. It has been identified as our greatest polluter, but from the issue of the cleanup guidelines in 1965 to December 1971 only nine companies out of a total of 31 were prosecuted. Convictions were obtained on 12 counts, but the average fine was \$746 per count. In the years 1972-75 inclusive, there were no prosecutions of pulp and paper companies for water pollution.

In 1976 there were three prosecutions: American Can was prosecuted under the federal Fisheries Act and fined \$64,000. That's the first large fine we've had. Reed Limited was convicted on five counts under the Environmental Protection Act and fined \$1,000 per count. Abitibi Paper Company was also prosecuted but the outcome has not yet been reached. That's a total of 12 prosecutions for water pollution in 11 years.

At the same time, according to a 1975 ministry report, of the 31 pulp and paper mills discharging directly into Ontario waters, only three have met objectives for BOD, and only six for suspended solids. Twelve mills have actually increased their BOD loadings and six have increased their suspended solids loadings.

Looking at the total prosecution activity,

we find that convictions on 31 charges under the Ontario Water Resources Act for 1975-77 resulted in an average fine of \$790. Convictions for the same period in 83 charges under the Environmental Protection Act produced average fines only slightly higher—\$1,080. None of the pulp and paper fines was appealed, as far as I know. Most are away below the maximums allowed in the legislation.

The government, it seems to me, has failed to create a climate of concern which would make judges more aware of the cost to society of pollution. The judges cannot do the whole job. We need a fresh dedication to prevention rather than cleanup. We need increased surveillance. We need organizations like Pollution Probe to keep reminding the ministry when control orders or "Kerr-trol" orders, as they call them, come due. We need legally binding standards if we are going to achieve adequate water quality objectives.

Recent government studies have shown we can have both jobs and clean water. The financial picture of the pulp and paper companies is improving. Abitibi had profits of \$21 million in the third quarter of this year. There have been studies that have confirmed that the purchase of anti-pollution inventory will increase jobs. Other studies have shown that the pulp and paper industries can afford abatement measures without closing down mills.

What we need, it seems to me, is more of a will to clean up our lakes and rivers. Above all, we need implementation of the objectives of the Environmental Assessment Act which was passed in 1975. Recently, speaking in Bracebridge, the minister spoke about this Act in these terms: "Our newest weapon in environmental protection is the Environment Assessment Act. It is the only piece of legislation in Canada which is aimed at the prevention of environmental damage through consideration of major undertakings at the planning stage."

Let's live up to that aim which the minister has so admirably stated. Let's stop the diarrhoea of exemptions and let's see that it applies to all new undertakings. In particular, it should be applied, it seems to me, to the Major Mackenzie Drive proposal for what they call the theme park up at Major Mackenzie Drive and Highway 400. It should be applied possibly to the new Prospections mining lease. It should be applied to the Darlington generating station and it should be applied to the Atikokan station. There are all sorts of areas where it is not being applied, and this is one of the reasons why we don't seem to be making progress.

I would like to ask the minister about those last four items particularly, if he has any plans to extend the Environmental Assessment Act to them and also if he intends to have control orders on all of the pulp and paper mills by the end of the year, which is what he said he was planning to do when he appeared on "Metro Morning" recently.

Hon. Mr. Kerr: Ms. Bryden has pretty well repeated all the points raised yesterday by Mr. Gaunt. However, the time allotted for our estimates doesn't seem to concern them so we'll pretty well repeat the same answer as yesterday.

The hon. member paints a picture for us that is blacker than necessary, shall we say, or gloomier than necessary. She talks about the Great Lakes and about Dow Chemical, the great obsession with this law suit against Dow Chemical. The fact is that Dow Chemical has spent a great deal of money during the past five or six years cleaning up its act. It no longer uses mercury in its process. The fact is that mercury levels in fish in the St. Clair are going down because Dow Chemical has followed our control order and spent a substantial amount of money. It is not the source of pollution it was six or seven years ago.

Ms. Bryden spent a great deal of time, as she has over and over again, on average fines, the number of prosecutions and almost irrelevant aspects like that.

[10:15]

Ms. Bryden: Do you think prosecution is irrelevant?

Hon. Mr. Kerr: Only nine companies out of 31. I would like you to name just one other jurisdiction on this continent that has prosecuted industrial polluters as much as this government. Name just one other jurisdiction.

On the question of fines, that average of \$750 was accurate three or four years ago. When we get a fine of some \$64,000 against American Can—"Well there is some reason it is that high, the ministry shouldn't get any credit for it." We talk about the fact that none of these cases have been appealed; the fact is that Abitibi right now is the subject of an appeal to higher courts.

Ms. Bryden: The fine hasn't yet been named on that one.

Hon. Mr. Kerr: No, it's subject to appeal. "We should educate judges to be more aware of the cost to society." I don't know about the minister, but we are not going to take on a special job of re-educating the judiciary of this province when we present our cases in court, which we do quite

ompetently and efficiently. We outline the causes and the results of the contamination. We are able to obtain convictions based on the fact we have presented a preponderance of evidence that shows the companies have polluted, contaminated, and are in breach of our legislation. In 99 per cent of our prosecutions the court has found fit to find against the companies we prosecuted.

The amount of the fine is up to the court. For various reasons the fines vary—they may be low or high. In recent years, particularly since 1971 when we raised the maximum amount of the fine, fines are higher. Because we, in the late Sixties and early Seventies, practically pioneered the whole idea of suing companies for pollution, I suppose the court has to be orientated to some degree. There is no question, whether it was a refinery or a pulp and paper mill, whether it was air pollution or water pollution, the fines were too low. Now they are much more appropriate in view of the degree of contamination.

The hon. member mentioned Pollution Probe. Pollution Probe, as the hon. member says, is constantly oversimplifying the picture in Ontario. It never gives the ministry credit for anything. When we sued three companies a year ago of course, this was just window-dressing. Though we took on three different large pulp and paper companies and brought them to court after months of investigation and preparation, we were just window-dressing; we were ad hoc-ing our pollution control program against the pulp and paper industry. So we don't listen to Pollution Probe any more.

The hon. member mentioned the Environmental Assessment Act. We will repeat what is already in Hansard from these estimates. With respect to the rationale for exemptions, as I mentioned before, we will apply the provisions of the Environmental Assessment Act to those projects in the conceptual or initial stage of planning. That is the rationale and the criteria for the Environmental Assessment Act.

The hon. member mentioned Darlington; that has been explained. It has been debated in the Legislature, and there have been questions answered in the House as to why we exempted that and on the history of that project and why in fact it is well down the road, well beyond that conceptual or initial planning stage.

One of the alternatives that must be available to the Environmental Assessment Board is the alternative to saying "No you can't go ahead with that project." If Hydro or the Ministry of Transportation and Com-

munications or a municipality or a conservation authority has spent thousands and thousands of dollars on land acquisition over a period of time, when they have got the design and engineering completed, when there has been site preparation, when the mode of generation has been decided, such as nuclear power, as compared to coal or oil, then that is beyond the environmental assessment stage. That is why both Atikokan and Darlington have been exempted from the provisions of this Act.

The hon. member mentioned the theme park.

Ms. Bryden: That is not beyond the planning stage.

Hon. Mr. Kerr: No. This is something that is a private proposal, a private project that is not yet under the provisions of the Act. I expect private projects across the board will be under the provisions of the Environmental Assessment Act some time next year.

At the present time, as the hon. member knows, we have provincial government and conservation authorities' projects under the Act. We hope by the end of this year to have the municipalities under the provisions of the Act. We have brought in certain private projects, such as the Inco generating station that somebody blew up the other day. Elliot Lake and Reed. I don't know if there is another one or not. It seems to me there is a fourth one. In any event, those are the private projects upon which we have passed regulations upon the agreement of the companies to bring them within the provisions of the Environmental Assessment Act. Onakawana was the fourth.

I can't make a commitment right now about the theme park. I can't say for sure. I know there are rezoning applications that have to be made to the Ontario Municipal Board.

Ms. Bryden: I think that has been completed.

Hon. Mr. Kerr: Has a decision been made yet?

Ms. Bryden: No, but the hearings have been completed.

Hon. Mr. Kerr: Probably, before it goes ahead, the government will have to make a decision whether it should act by way of order in council. Because of the concern the people in that area have about this rather large private undertaking, the government will have to make a decision as to whether or not it should be under the provisions of the Act. That is something, I am sure, that will have to be decided by the government

after the decision of the OMB is handed down.

I am not sure if there was another one or not. To answer your question, the important thing is that the private sector will have to be brought in under the provisions of this Act. Any private operation, whether it's mining, whether it's a pipeline or whether it's a generating station, will be part of the rationale and the criteria for this legislation, that is, at the conceptual or the initial planning stage.

We are now reading into the application of this Act areas where we know there will be some controversy or some specific environmental concern. Onakawana is an example of that. As the hon. members know, the Hartt commission is meeting at the present time and holding hearings. The hon. members know the concern that has been expressed, for example, on the Reed proposal, particularly by the native groups in that area.

Rather than cause all sorts of concern and controversy, to me the logical process is to apply the provisions of the Act. In other words, when groups concerned about a particular project hear there will be an environmental assessment, instead of chipping away at the project, and making criticisms of ministers or people who are involved in the project, they are prepared to wait until there is a hearing. They prepare their cause for that hearing and make their concerns known there, rather than through the newspapers, or meetings with government officials or industrial officials on an individual or collective basis.

That is one of the advantages of the Environmental Assessment Act. If you say you are concerned about something, you will have a forum. There is a quasi-judicial tribunal to which you can make your concerns known, and they will be considered and a decision will be made in the light of them.

I think that would apply to any future private project that will come to the drawing board, and is a decision of some boardroom really before any great expenditure is made in respect to such a project.

Ms. Bryden: I am very glad you haven't rejected the idea of an environmental hearing for Prospections Limited or the theme park. The provincial Treasurer (Mr. McKeough), in writing to the mayor of the town of Vaughan about the theme park, said, "This project may be large enough to warrant a hearing and decision by the Environmental Assessment Board." He pointed out that the project may have repercussions on a lot of other ministries, which is another reason it

should possibly have an environmental hearing; that Highway 400 might have to be widened to 10 lanes; that the Ministry of Agriculture and Food has noted all soils in the area proposed for development are class 1 land; that the Ministry of Industry and Tourism is involved as to whether this is the right place to locate a major tourist attraction or whether there are other areas that could be chosen; and that citizens of the area sent a petition to cabinet asking for an environmental assessment. I am sure the minister is aware of all this. I hope the project will be considered very seriously for environmental assessment, since it is still very much in the planning stage.

I just have one other question, on the Maple landfill hearings, which I understand have now been completed. The Ministry of Natural Resources opposed the project because it was going to interfere with its fishery research station. The Ministry of the Environment initially opposed the project. In its second brief they opposed it, but sort of opened the door if there were some modifications in size. Does the minister think the project will be modified to meet what the Ministry of the Environment suggested in its second brief? Has he made any decision on what will happen in this case?

Hon. Mr. Kerr: As the hon. member says, apparently the hearings have been completed. All the information and transcripts now have to be put together so the board can make a decision and a recommendation with respect to the Maple application. So I really shouldn't comment on it. There could be appeals from the Environmental Assessment Board decisions, or from the decision of the director.

[10:30]

To confirm what the hon. member said, all I would say is that apparently there is some concern by Natural Resources. As the hon. member has said, apparently the application was either amended or modified during the course of the hearings, and this met some of the objections that were indicated initially by the Ministry of the Environment. I haven't attended those hearings. I don't know what the final ministerial submission was in respect to the second brief or the final form of the application, nor do I know the specific reason why there was some concern and some questions by the Ministry of Natural Resources.

Ms. Bryden: Do you think the reason the Ministry of the Environment brief was changed was that the proposal was changed?

Hon. Mr. Kerr: I understand that is so, that the Ministry of the Environment had

initially pointed out some concerns in respect to this application and these were later clarified or the application itself was modified to meet those concerns. I am only really guessing here. Anybody who has attended the hearings may want to comment on that in a very general way.

Mr. Cockburn: Just to clarify the position in our two briefs, the board requested the first brief prior to the start of the hearings. Everybody had to submit a brief on certain details. During the course of the hearing, because there were two applicants, it was necessary to ask for an adjournment, which we in the central region did to revise our complete brief. During the testimony given by the two applicants, things were changed from the application. They were not significant enough to throw out the applications but significant enough to change our recommendations on what should be done. That was why we had two briefs.

As for the second part of your question, Natural Resources did object to the possibilities of contamination of the ground water for its hatchery at Maple. This has been taken into account in our recommendations, so there is no real conflict. It was reported in the paper either on the weekend or on Monday that there was this conflict, but there wasn't really a conflict. We have never got down to tooth and nail with Natural Resources over any problem we have. Their concerns were the same as ours. We have now requested in our recommendations to the board what should be done to solve both our mutual problems.

Ms. Bryden: I gather there still are concerns that the whole water system, not only in the Maple area but the rivers leading into Lake Ontario from there may be in danger of contamination. It seems to me this is a project that should be looked at very closely when the final report comes in.

Mr. Haggerty: I want to discuss a problem that relates to planning. Perhaps I can work it in under this particular vote. I might say I am pleased with the co-operation I receive from the Ministry of the Environment, particularly from the district director in Hamilton, Mr. MacFarlane, and from the district office in Welland. Mr. MacFarlane and his staff have been very helpful in anything I have requested over the last year or so. I have been satisfied with the response to my requests or inquiries.

This relates to a proposed plan for a sewage disposal system for Stevensville-Douglastown in the town of Fort Erie. A survey was carried out in co-operation with

the Niagara regional health unit. The purpose of it was to prepare a report eventually for an environmental hearing to be held on this project. Because of the contentious issues involved with this project, particularly with the location of the sewage facility and outfall location, a public hearing under the Environmental Protection Act will be the best vehicle for full discussion and public input to the hearing board.

There has been quite a bit of discussion on the particular type of sewage disposal installation the region may want to put in this locality, and the ratepayers and the people, who think the lagoon-type installation is perhaps not the type of a treatment facility they want at this time, are concerned about it.

I have received a letter from the minister concerning the Niagara River water pollution control plant extension, which is in the centre of the town of Fort Erie along the Niagara Boulevard, and the cost of the expansion program amounts to in the neighbourhood of \$2.25 million. I was wondering if the minister had given any consideration or study by any consultants or even by the Niagara region to the possibility of putting in a collector line from the community of Stevensville and Douglastown to connect to this large extension plant in Fort Erie? It could be done by a collector line, perhaps, with a force main pump, or lift pump to this one plant.

I think one of the concerns of the residents of the area is that there will be too many outfalls to the Niagara River. They suggest one should do the job. Has your ministry done any study on this?

I know a former councillor in the township of Bertie, Lloyd Wale, is carrying on a one-man protest against this lagoon-type sanitary treatment facility. He is knowledgeable in the area and I think he is right when he says a collector system is what is required. Perhaps it would be less expensive. Because I can tell you, I hear talk about a lagoon of maybe 100 acres; it could be 200 or 300 acres.

The cost of land today is just too high for it to be destroyed in this matter. Perhaps 500 or 600 homes could be put on a site like that at \$15,000 or \$20,000 a lot. If you look at the long-term cost involved in the land and the value of it, it is perhaps more economical to go to the collector type system coupled to the major treatment plant in Fort Erie, about six miles away.

Of course, there would be some benefits in the long run for this type of proposal. You have the Queen Elizabeth Way with all

the service roads being constructed, the overpasses are completed, and no doubt you will see ribbon development, industrial park development, along this route.

Or the collector could go along the Niagara Boulevard and pick up all the residences along that boulevard to the main collector in Fort Erie. I know they are having difficulties with the present septic tanks along the Niagara Boulevard, and I suggest the ministry should be looking in that area.

Has your ministry done a full study on this?

Hon. Mr. Kerr: I am not sure if a full study has been done on it. I am going to have Mr. MacFarlane comment on the details. All I want to say is that the lagoon type of treatment is a very efficient type of sewage treatment. I realize—

Mr. Haggerty: There is one located there now, and that is Black Creek.

Hon. Mr. Kerr: But properly run, municipally or provincially run, a lagoon type of treatment with proper discharge and chemical treatment is certainly better than primary treatment and is in many respects as good as secondary treatment in a conventional sewage treatment plant.

I realize it involves some land. Sometimes land is bought, a number of acres acquired, as a buffer zone between the actual ponds and the neighbours. But a six-mile collector line as well as a force main would be costly.

Then you would have the problem of capacity at the Fort Erie plant. That was built a few years ago allowing a certain capacity for a certain population and whether or not that capacity should be diminished by way of a line from another area of the region is something the ministry would have to decide. But certainly before there is discharge into the Niagara River the effluent from that lagoon must match the quality of the Niagara River.

Mr. MacFarlane, do you want to comment on that? Has the question of a collector line to the Fort Erie plant been considered?

Mr. MacFarlane: It has been considered by the ministry. The consultants' report in 1975 recommended installing sanitary sewers and a waste stabilization pond in the Douglastown area, I think largely because of the saving of money. But the proposal Mr. Haggerty has made has a great deal of virtue in it. The offsetting matter of course is one of cost.

We're awaiting some more data from Proctor and Redfern considering a number of alternatives for the Stevensville-Douglastown area. We will make sure that this matter of

a line from Douglastown down to Fort Erie main plant, is included within the reports, so Mr. Haggerty can see it.

There is one offsetting feature of course; that is the flow from Stevensville-Douglastown will take up some of the capacity in the Fort Erie main plant.

Hon. Mr. Kerr: Have there been any cost comparisons?

Mr. Haggerty: This is what I would like to know, whether there are any cost comparisons or not. Because, if you put a lagoon in Stevensville, you're still going to have to have an outfall line to the river, and it's only three miles less than picking up the residents along the Niagara Boulevard. Again, there is the problem of pollution from those residences along the boulevard.

All I'm suggesting is eventually you're going to have to do it, and you might as well do the job, and do it right, this time. I suggest that through a collector system you can do it.

I don't know what the expansion of the plant in Fort Erie is—about \$2¼ million—whether it is going to be enlarged enough to handle 30,000 people. Will it take in that number of people?

Hon. Mr. Kerr: Have we got a population figure on that? I know the estimated cost for the proposed Douglastown-Stevensville works is about \$1.5 million. Do we have a population figure?

The member knows the community over on that bank better than anybody, for goodness' sakes. You've been snow-bound in Toronto too long.

Mr. MacFarlane: There are approximately 900 people in Stevensville.

Mr. Haggerty: If I go by what the planning and development department in the Niagara region has to say, there is no growth in the area. Since new industry has located in that area and cabinet says development should take place south of the Escarpment, I can only feel you are going to have development in that area, and you could see that by the industry moving into that community. The water services are already there—

Hon. Mr. Kerr: I notice there will be an Environmental Assessment Board hearing, so the alternative of a collector line would have to be considered at that hearing. In other words, the ministry will have to make a submission based on the particulars and the cost of lagoon-type of treatment and compare it with, for example, a collector line as you suggested to Fort Erie. Various alternatives at a hearing of that kind have to be considered.

Mr. Haggerty: If you go to the lagoon-type installation, for example, I think one of the reports suggested they would have the outfall into Black Creek, but that does not flow too well. When they change the levels of the Niagara River for the use of the power generating plant they have a backwash of water coming upstream. Black Creek actually does not flush out itself. I feel that if you go to a lagoon, you might as well dump it and let it go into Black Creek now. There is a serious pollution problem in Black Creek, from the village of Stevensville, because—

Hon. Mr. Kerr: There has been no decision as to where the discharge point will be—whether it will be Black Creek or the Niagara River. I would think that decision still has to be made on the basis of a recommendation from our consulting engineer.

Mr. Haggerty: Are the consulting engineers Proctor and Redfern?

[10:45]

Hon. Mr. Kerr: Yes.

Mr. Haggerty: I don't know whether you're leaving yourself open for comments on this or not but I don't have too much confidence in Proctor and Redfern. At one time I did have confidence in them.

They were permitted to be the consultants in two areas in the township of Bertie, now Fort Erie, in Crescent Park and in the Westbury sewage scheme. I just don't have any confidence in their engineering because, in both instances, the schemes have not been successful.

Time will not permit me to get into details on the matter of the treatment flow going through the system compared to the residents' water intake. I think about 137,000 gallons of water are used per month while there is an outflow of sewage for treatment of about 38 million gallons or something like that. It's just beyond reason.

I don't know whether the fault lies in the engineering or in the installation of the pipes. I don't know whose fault it is. I was well aware of the problem in Ridgeway where there were many inspectors on the job. Whether they were doing their job or not, I don't know.

I'll tell you, the system hasn't been functioning that well. There is an extraneous flow of water coming into the system now and nobody knows where it's coming from, in either case. When this takes place, the region is going to become full of millionaires because it is charged back to the residents, the people who are using it. I feel this isn't a fair way of taxing those people. They've paid for a job. They've paid to hire good

engineers. They've paid to hire good contractors and hoped they were going to get a job done in both instances but they didn't get what they were looking for.

For some unknown reason there is an extraneous flow of water coming into the system and they have to pay for it in the long run. There may be some coming in from eavestroughs, sump pumps and so on, but I don't think there's enough to make that much variance between the amount of water they're consuming and what's going into the treatment plant.

Now this is costly to them. The rates, perhaps, are higher than any place in the region and one of the reasons is when they cut through the rock to the ground to install the pipes, they back-filled it with crushed stone. In one case, they went down almost 30 feet to lay the large collector pipe. This is about four times the depth of any pipes in that vicinity and it may be below the lake level. If they had taken the normal course and put in a lift-pump they could have probably done the other side of Ridgeway at no cost to the taxpayer.

There should be a better control over the cost factor installations of these sewers.

Hon. Mr. Kerr: I think one of the problems in that area has been ground water infiltration. Whether that is a result of poor construction or the nature of the soil and water tables in that area, I'm not sure. We've had a particular problem in your area in respect to that. There has been some concern that there's a fluctuation in rates.

Mr. Haggerty: The rates are rather high for that area because the people have to pay for what's going through the treatment plant. I feel that it's unjustified and that it's not their fault.

Hon. Mr. Kerr: Colin, do you have anything you wish to comment on that?

Mr. MacFarlane: This is a community of about 3,000 people and it's served by a secondary sewage treatment plant which should be competent to look after about 10,000 people. However, the flows are extremely high and the plant is being bypassed almost continuously. In fact, there are some days in which the incoming water is more pure than the water coming out of a secondary treatment plant in normal operation.

Hon. Mr. Kerr: That happened to the Skyway treatment plant in Burlington. In the meantime, we were accused of dumping raw sewage into Hamilton harbour. I must say the problem was hard to identify for a while, but it was corrected by putting a cover on an intake pipe.

Do you have any more comments? What can we do to correct it, Colin?

Mr. MacFarlane: A large portion of the problem exists in the old Crystal Beach area. We have undertaken TV inspection of the newer portions in Ridgeway and while there were unquestionably some errors in the recent construction, these have been mended, as far as we are concerned. There may be illegal connections from homes into the sewers we have provided, but our feeling is that the greater portion of this is coming from the old section of Crystal Beach itself. This remains to be ascertained and TV work is going to proceed in other portions of the area.

Hon. Mr. Kerr: I can't hear you.

Mr. MacFarlane: TV work has been carried out in the recently constructed portions of the sewage collection system and further TV inspections will be carried out in the course of the next year to ascertain where the predominant extra flows are coming from. The present feeling is they are largely coming from the old portion of Crystal Beach.

Hon. Mr. Kerr: In view of what you have been saying, I am amazed at your recommending a collector line to the plant in Fort Erie rather than lagoons.

Mr. Haggerty: There are two different areas. One is Crystal Beach, Ridgeway, and the other is Stevensville in Fort Erie. It's a municipality of about 23,000 and increases to about 40,000 in the summertime when you include the American residents who come in.

There are actually the three different areas and I am suggesting that it is not necessary to have three different treatment plants when two can do the job. There is a problem in the old village at Crystal Beach. I think they do run sanitary sewers along with storm sewers in the collection system. But I'm making reference to the new system that was installed in Ridgeway, in West Purdy there. Before there were any hookups into the system, there was an extraneous flow of water into the system—without even having the connection to the homes. I believe that at some place along the line there was poor construction, some of the lines were not laid properly and this is where you have the infiltration of additional water into this system.

If you lay pipe in an area and back fill with crushed stone and so on you are setting up something like a septic tank bed. It brings in extra water and if you have a fracture in the line, it's going to feed into that system. Perhaps that's where the clear water is coming from. It's pretty clean, you know.

I suggest that proper inspection be carried

out throughout any installation of sewer systems in Ontario, particularly in that area.

Hon. Mr. Kerr: If the Douglastown-Stevensville project goes ahead and there is an Environmental Assessment Board hearing, the points you have raised can be raised at the hearing. It does affect new treatment works. As opposed to collector pipe, that could have some effect on the rates that people in that community within Fort Erie would have to pay.

Mr. Haggerty: As long as the other alternatives are there—and there is a cost related to the installation of both. There may be three different ways you can go, but they have only been pushing one and that is the matter of the lagoon.

Mr. Chairman: Is there anyone else who wanted to say anything about vote 2002 or should we go on?

Mr. Gaunt: I have some brief comments on the vote and a couple of questions, Mr. Chairman.

Mr. Chairman: Thank you. Mr. Lane has indicated he has something.

Mr. Lane: Thank you, Mr. Chairman. I don't want to prolong this vote and I don't want to be provocative but it seems to me that some members of the third party continually want controls tightened up in industry to the point where industry no longer can operate. Then they express concern about unemployment and layoffs that have to happen as a result of this situation.

Hon. Mr. Kerr: Well, that's the beauty of being in the opposition.

Mr. Lane: While constructive criticism is always welcome, I think we should be fair enough to the minister to give him credit for some of the things that he has done and done well in the past few years.

It seems to me the research projects in the pulp and paper industry that you have instituted have worked reasonably well. I have a pulp and paper mill in my riding. I don't know where it stands as far as the reading goes but I do know there has been one hell of an improvement in the Spanish River. At one time you could not wade across the thing and now the fish are coming back in there—everything is getting back to normal.

Hon. Mr. Kerr: We had to sue those people.

Mr. Lane: So I would just like to ask you if your research projects have not worked reasonably well in this field. According to

Ms. Bryden they haven't, but I would like to know that it has been talked about.

Hon. Mr. Kerr: I think you are talking about the mill in Espanola. There has been substantial improvement there in the last few years and also, as the hon. member knows, they are getting into a type of recycling program there and research in respect to bark, for example. That has, of course, meant that much less of their particulate matter and waste is going into that river. I would like to see more companies doing what that company is doing in Espanola.

Mr. Lane: They are spending some \$25 million or something on it, aren't they? This is a brand new process of bleaching, totally new in northern Ontario—or in North America, I believe, is it not?

Hon. Mr. Kerr: They call it hot stock refining, which is an oxygen bleaching system at the mill. When that is completed, it will result in substantial reductions in effluent flow, waste flow, BOD, loading colour and toxicity. There is a total cost that approaches about \$10 million now. Then they will proceed with what they call phase two—that will cost another \$14 million—to be upstream by the end of 1980. That seems a little optimistic. I don't know how you spend \$14 million in two years.

Mr. Lane: I hear they had a full program costing around \$25 million planned for that project. The companies are interested—they are trying to do something about the situation and we should not always be negative towards these situations. If we continue to be negative then we are going to have more unemployment.

There is one thing I was concerned about last weekend on the way home from the report in my great country. It took me a few hours to get there because of bad roads, and there was a lot of bumper to bumper driving. It seems to me you mentioned at some point that you had some kind of a testing program going on regarding the exhaust from automobiles. Do you have any kind of a program? Are you concerned about the pollution in the air from auto exhausts?

Hon. Mr. Kerr: I don't know whether Mr. Jeffries is here or not—maybe he felt we had gone by that vote, John.

We have been testing trucks and automobiles for emission control, making sure that they are not disconnecting the emission abatement equipment in their vehicles. There is some myth being spread about that these control devices mean more gas con-

sumption and less power particularly for heavy vehicles on grades and hills. There has been some disconnecting of control equipment that now is being pretty well installed at the plant level.

We spot-checked about 10,500 cars so far this year and of those only four per cent—which is not bad—indicated that pollution control equipment was missing or inoperative. We are also spot-checking cars that are for sale at used car lots. We have visited about 338 used car dealerships and inspected about 3,200 vehicles. About 4.9 per cent were found to have defective or missing pollution control equipment, so we delayed the number of prosecutions—have you got that somewhere as well?—violation notices and prosecutions—we had a summary here somewhere. I believe that was in my opening remarks.

[11:00]

Mr. Lane: It's all right, I knew you were doing some testing. Sitting waiting for the traffic to move on a frosty night and you see the exhaust rolling up and you just wonder what the controls are doing and how much concern we have.

There is one good program that you have had very little credit for. That was the program to get rid of abandoned motor vehicles that were parked here there and yonder. How successful was that and do you plan to continue? Or what's the story on that?

Hon. Mr. Kerr: It's turned out to be a very successful program. We call it Project Remove where we are handling old car hulks. We started mainly in your area, northern Ontario, where the final resting place for these old hulks is some distance away. Most of it goes to centres like Hamilton. We now have about 30 or 40 municipalities involved in this.

It also includes the reclamation or enclosing of old dumps or lots that have been used for car hulks and car equipment. In other words, you don't see these unsightly things along the highway now, in spite of the big fences, as you did before. We're cleaning them out. We give so much money to the municipalities who undertake the job of getting these hulks to market and at the same time reclaiming or rehabilitating the area in which they happen to exist.

It's a little-known project. We don't hear very much about it because, I suppose in comparison to our overall budget, it doesn't cost that much money. But it will because more municipalities are interested in it now. We've allocated about \$300,000 for this project.

Mr. Lane: I don't know how much good it was to the air, land or water, as far as pollution control is concerned but it sure is

beautiful to the eyes. Some of those little dumps and piles of old cars were pretty unsightly. As you drive through various parts of northern Ontario that had a lot of junk around, you find this missing now. It's a very welcome relief and I think the program should be given more recognition than what it has received in the past.

Hon. Mr. Kerr: It's a recycling program. It's something like the proposal for St. Lawrence Cement in Mississauga. We're using spent or used equipment or material to—whether it's generating electricity or it's going to a steel mill for reuse there, it's all part of recycling waste rather than applying continuous pressure on non-renewable resources.

Mr. Lane: Mr. Chairman, I don't want to take any more time. I know we have some more votes to go and not much time left so I'll pass. Thank you very much.

Mr. Chairman: Thank you Mr. Lane. Mr. Gaunt, I believe you indicated you wanted to speak on 2002?

Mr. Gaunt: Mr. Chairman, a couple of unrelated questions—I'll make them quick. The Kapuskasing River. Can we eat fish out of that river now?

Hon. Mr. Kerr: If there are fish in it, I assume you could. Sure.

Mr. Gaunt: Yes. I know all the fish were killed off. But presumably it's been restocked and—

Hon. Mr. Kerr: There was a spill there some time in the last 12 months which has been cleaned up. But my information is that it was restocked and the fish are edible. If I was a tourist operator, I'd say they're plentiful. As far as I'm concerned if it's been restocked, they would be edible, yes.

Mr. Gaunt: All right. Will the Glengowan dam be subject to the Environmental Assessment Act? I realize that from September 1 this year the conservation authorities are subject to the Environmental Assessment Act conditions and terms if the projects are over \$1 million. If they are under \$1 million there are other conditions that apply. But I'm wondering if that dam will be subject to the environmental assessment—

Hon. Mr. Kerr: Mr. Caplice, before you get too comfortable, will you get handy to a microphone there?

Mr. Gaunt: —because it has been the subject of considerable controversy.

Hon. Mr. Kerr: Yes as the hon. member probably knows, we passed regulations dealing with conservation authorities in September. The regulations stipulate that where the

authority has not acquired a certain percentage of the land required for a project—where it has not spent, for example, a certain amount of money by a certain date—it would be subject to an environmental assessment.

This is a very controversial project in that area concerning one township we've been meeting with. I had asked the conservation authority last May to consider agreeing to an environmental assessment hearing. This was before the conservation authorities came within our regulations. They were prepared and still are prepared to have an environmental impact study.

But one of the problems there, in all fairness to the authority, is that the question of the need for the dam to assist the city of London in the dilution of its effluent and the problem with the Thames River, also involved the question of whether or not there should be a pipeline to Lake Erie. That was one of the possible alternatives to solve the problems in the city of London.

The decision was made that the best course was the proposed Glengowan dam. It was much more economical and apparently would solve the whole question of effluent assimilation in the Thames River.

The Environmental Assessment Act would open that all up again—that whole question of alternatives. The question of whether or not anything should go ahead would be part of the hearing under the Environmental Assessment Act.

This is what concerns the authority. After many months of study and consideration by both the authority and the city of London they feel that about a year ago or more the decision was made to go ahead with the dam. This year they have been acquiring some land that would be necessary for the project. But in spite of that, as I say, I suggested that although there was controversy and concern the timetable could still be followed.

Commencement of work on that dam apparently was scheduled for 1981. If they started immediately to go ahead under the Environmental Assessment Act, I suggested the hearings and decisions could be reached by the time there was anybody out there with a bulldozer turning sod for the construction of that project.

Apparently some interministerial body on which our ministry is represented has indicated they are in favour of the decision of the authority.

Mr. Caplice: Yes, I think the Thames River implementation committee has made that recommendation. Doug McTavish is here, he can address that.

I think you described it very accurately in answering the question of Mr. Gaunt. The situation is as the minister has said in relation to the Glengowan dam.

Mr. Gaunt: There is still a possibility it could be subject to the terms of the Environmental Assessment Act?

Hon. Mr. Kerr: That's right. At least we have come to the stage now, by bringing the authorities within the provisions of the Act, that the authority knows the rules and terms upon which it comes under the provisions of the Act. It is my feeling, unless there is great change in budgetary allocations, there will be an environmental assessment on that project.

Mr. Gaunt: That is good news. I think there could be.

Let me move on to the matter of the Ontario aggregate working party. This comes under the Ministry of Natural Resources, but I wanted to make the point that if the working party recommendations are adopted it will mean the opening of new pits and quarries will not be subjected to environmental controls, the provincial Environment ministry control, or impact assessment studies. I think they should be, and I wonder if the minister has any views in this regard. Frankly, I think the entire pits and quarries legislation should come under the Ministry of the Environment rather than Natural Resources, but I guess that is a battle I am going to have to fight in another place at another time.

Hon. Mr. Kerr: You can start tomorrow.

Mr. Gaunt: It seems to me that would make sense. They have done this in Quebec and England. It seems to be handled more appropriately under the Ministry of the Environment rather than the Ministry of Natural Resources. There is conflict when it is handled under the Ministry of Natural Resources because they are in the business of promoting mining and so on. Their emphasis on the environmental aspects is not as acute as it could be under the Ministry of the Environment.

Hon. Mr. Kerr: It was a lengthy report. I have read the summary and the newspaper comments on the report. They deal with way-side pits as well as large quarries. There is considerable difference in some of the operations.

I was impressed with the report. If you look at the makeup of the working group, there was a number of environmentalists—people from the Federation of Ontario Naturalists, the conservation council, people of that kind. Any major quarry operation should, I think, come under the provisions of the Environ-

mental Assessment Act. I don't think the recommendations of that working group have been accepted or implemented in legislation as part of government policy. Do you want to comment on that?

Mr. Caplice: That's correct. I think on release of the report the Minister of Natural Resources (Mr. F. S. Miller) called for a review and feedback on what the report was recommending from all the groups that were in any way interested in this subject. I understand that most of that is in now. There is the intention to prepare a white paper, or a paper for discussion by the Ministry of Natural Resources, then take it from there into whatever legislative form may be required.

You are correct, Mr. Gaunt, in saying others have commented that the Ministry of the Environment would be a more appropriate place for the total administration of that program. This was a feed-in from several groups who looked at it.

All of that is under evaluation now. I think the Minister of Natural Resources and his staff are better equipped than I am to answer the detailed questions.

[11:15]

Mr. Gaunt: Thank you. A number of my colleagues want to get on to the next vote. Since our time is very limited, I just want to make one comment on this vote with respect to the Great Lakes Water Quality Board. The member for Beaches-Woodbine touched on it this morning—the matter of toxic substances.

The board emphasized the need for immediate strict control on toxic substances and enforcement of the federal Acts pertaining to such contaminants. There were several recommendations. The recommendation that caught my eye was the recommendation that to meet the proposed water quality objective for Mirex, governments should ban its manufacture, processing, packaging, storing and all uses in the Great Lakes basin. In addition, they recommended the new water quality objectives proposed for chlorine and silver and Mirex be adopted. What has the ministry done in that respect, in conjunction with the federal government?

Hon. Mr. Kerr: As the hon. member knows, the federal government has brought in and passed the Environmental Contaminants Act which, basically, controls the importation of toxic substances. They are still working on regulations for specific substances; whether it is PCBs or Mirex or other types of these so-called phantom pollutants. Mirex is not manufactured in Canada that I am aware of. I don't think it is distributed

in Canada at the present time. There are one or two manufacturers in the States.

My latest information from Mr. Leblanc when he was the federal environment minister was Mirex would be banned, once the regulations are promulgated under the new Act, and PCBs, for example, would be phased out with an ultimate ban. The control of PCBs is already in effect for closed uses only. Our staff are continuously working with the federal government in assisting them to finalize these regulations.

Mr. Hennessy: Mr. Chairman, I just want to bring to the attention of members of this committee, the ministry's efforts re the Abitibi Pulp and Paper company in Thunder Bay embarking on a pollution program totalling \$28 million.

If we were to listen to some of the do-gooders sitting in this committee, the plant would close putting thousands of people out of work. These same do-gooders would then come and lead the attack that these people should have employment. It is a good ploy. You can't lose. You satisfy both parties, when you take up the cudgel for the poor oppressed people.

I would like to congratulate the ministry in Thunder Bay because they are very aware of what is going on. With five paper mills in the district of Thunder Bay it is all very well to close them all if they are not following the rules—if the proper sign is not up or something to that effect, if you want to be strict about it.

Use a little common sense like the ministry has done; give them the opportunity of trying to rectify the situation.

It is easy to follow the rules and guidelines and close the plant. Then you have the same people who want the environment 100 per cent pure leading the attack over the thousands of people out of work and what the government is going to do about it.

I would just like to say to the Hon. Mr. Kerr that the Ministry of the Environment in the city of Thunder Bay is doing an excellent job. The common sense of the ministry, sitting down with the officials of the paper mills, trying to work out a solution that would not break them and force them to lay off people, is good commonsense strategy. I wish to commend the ministry for their efforts.

Hon. Mr. Kerr: First of all, Mickey, thank you for the commercial.

Mr. Hennessy: No charge.

Hon. Mr. Kerr: Second, there are a couple of Abitibi mills in Thunder Bay that have

been a particular problem. They have been cited by IJC for three or four years in a row, and I think the beauty of the program there is that they are getting involved in a new process which may well apply across the whole industry some day. Although it's expensive, it involves the reduction of BOD and certain types of effluent, which will substantially help the companies meet our standards. There was one problem there as the result of the program. A small part of one of the sulphite mills had to be closed down, affecting about 50 employees. Apparently they will be assimilated by the company in other plants in the city.

Mr. Riddell: Maybe I am not on the right vote, but I want to bring up the matter of water. Are we discussing water in this vote?

Mr. Chairman: Yes.

Mr. Riddell: As the minister will recall I had a delegation in to see him regarding some rather serious water problems that the people in Dashwood and Centralia in particular are encountering. They have polluted wells and an insufficient supply of water from the wells—they run out in summer. They were asking for approval to bring a branch water line up from the lake. The minister said he would give it serious consideration. He felt the engineer's report or the cost of bringing in a branch line was way out of whack considering the short distance to get water into Dashwood.

Can the people of Dashwood and Centralia have any hope at all that they might get branch lines into their villages. It is a rather serious problem, and I don't know whether we are going to have to wait for a serious outbreak of sickness or death due to people drinking the water before action will be taken. I realize we are working under a constraint program, but in establishing priorities we have to look at these places having polluted or inadequate supplies of water.

Can the minister bring me up to date as to any program he might have to obtain water for these villages from the Lake Huron pipeline?

Hon. Mr. Kerr: As the hon. member has indicated, there are problems with wells in that area. There is some concern, whether it is a communal or individual well, that the water supply wouldn't be fit in any event. With the pipeline fairly handy, it makes sense that a community like Dashwood should be connected to it.

When you consider the degree of remedial work and the size of the project, the cost was quite high, and we indicated at a meeting with the people from the municipality

that there may be an alternative remedy here which would not cost so much and, therefore, could advance that project for next year, whether we stage it over a longer period of time and deal immediately with the more urgent areas where there's some requirement. I am not aware that the condition of the water now is considered dangerous in any way or a threat to health. I think they just melt at certain times of the year, because of the size of the pipe, they are not getting a fair supply.

I can remember one comment from one of the municipalities that if they had a bad fire they could be into real problems, particularly when the summer population is utilizing the water system that's available. Would you like to comment on that, Mr. Timko?

Mr. Timko: John Timko, project manager, southwestern region.

There is a problem that people are having with water shortages and water quality. The difficulty we are facing is the extremely high cost of a communal system. Our notes here indicate there would be about 187 users. To bring service in would work out at between \$6,000 and \$7,000 per home. We're examining all the possible alternatives before we spend that kind of money. At the present time, we have well analysis going on and examination by our ground water branch of the wells in the area to see if there is any hope of using that alternative before we go and spend the dollars involved.

Hon. Mr. Kerr: We'll have to have a decision for you by the end of this year or very early in the new year before we complete our construction program for 1978-79.

Mr. Riddell: I know Dashwood would probably be considered a bedroom community of London, if there was water. The reason people fail either to buy houses there or to build houses—and there is land available to build—is that there is an inadequate supply of water or the water is polluted. If we could get that water in, I am sure the population would expand, and I guess this is what we want. We want places for people to live so that they are not forever encroaching on good agricultural land. I know in the case of places like Centralia and Dashwood, both within 25 to 30 miles of London, people have expressed a desire to come out and live in these small communities, but they are not going to come when they can't get water.

I would certainly hope their request is given every consideration and that, hopefully, we might see a project under way by 1978.

Vote 2002 agreed to.

On vote 2003, environmental control program:

Mr. McKessock: You know what I want. It's the completion of the sewer projects in Grey riding and there are five or six of them. I have brought up the question of sewers so many times and in so many different places I am afraid of getting tagged with an unwanted nickname.

Hon. Mr. Kerr: All I can say at this point is that you are getting more than your fair share.

Mr. McKessock: Of sludge or sewers?

Hon. Mr. Kerr: Oh, no, of works.

Mr. McKessock: It's the same old problem, I know. There are no funds. But, as I mentioned an odd time, the government's priorities are a bit out of whack. As I have mentioned in estimates of other ministries, I begrudge money being spent on a second language when Neustad and Flesherton haven't got sewers for a first time. It was brought up in the Culture and Recreation estimates the other day that funds are being spent through the Arts Council on printing some questionable books. This is being funded through that ministry. We need money for sewers which I think have a greater priority.

[11:30]

Before I get into any specific projects, I would like to mention this recent announcement made by your ministry pertaining to municipal grants for private water and sewage systems in small communities. I think this could be a very good program for places like Chatsworth and Holstein, which have just thought of sewers and haven't got any further, but I don't want to mix this program with the places that have set up sewerage projects and have been working on them over the last five or six or seven years.

In this program there are only a couple of things I question, but I would like to hear your comments on them as to how this maybe will work. I notice engineering studies are going to have to be done to establish whether a municipality is going to be allowed these types of grants. I wonder if these studies will be necessary. I know in some cases engineering costs are running four times the price of the job. I would be a bit afraid the same thing might happen here, because if a person needs a new septic tank or a well he probably knows it without an engineer telling him. They have to be passed by the local health authorities, so there shouldn't be any problem about a poor job being done.

As to this project, could you just elaborate a little more on how it is going to work, and how soon municipalities will be able to make use of it?

Hon. Mr. Kerr: That is the septic system?

Mr. McKessock: The municipal grants for private water and sewage systems in small communities.

Hon. Mr. Kerr: This is a proposal for smaller municipalities, with populations of around 5,000 and under, where the cost of putting in a communal system is very expensive. I can think of Killaloe, for example, where there may be 600 or 700 people and I suppose you are looking at maybe 200 homes, where the cost of putting in a project there is something over \$2 million. The rate that would have to be paid on the 25 per cent cost to the local people would be prohibitive, particularly if there are a number of retired people and elderly people who are trying to keep their homes and are living mainly on pensions.

In a situation like that, a private septic system together with private wells could very well do the job, so we will move in a situation like that and help finance those systems on a collective basis. That program is now in effect. We are taking applications, even for this year, for that particular program.

In Neustadt, for example, although Neustadt is going to get a communal project next year, where you have septic systems that have been condemned by the local medical officer of health, where there has probably been neglect by the owner in respect to his septic system over a number of years, probably in anticipation of a communal system, we will now go in and appraise the cost of correcting that system.

Mr. McKessock: This would be for the whole village?

Hon. Mr. Kerr: Right. We would, in fact, pay 75 per cent of the cost of those works to a municipality, or we may administer it ourselves, then the decision will have to be made whether the municipality or the home owner makes up the balance.

Mr. McKessock: That part isn't quite clear yet?

Hon. Mr. Kerr: We have a fact sheet that has been issued on that program. We can make sure you get a copy of it. For any municipality that has written us, and there have been a number, we have explained it quite fully. Instead of a \$2 million or \$2.5 million project we may be talking about \$200,000.

There is one problem—we have new regulations and new standards for septic systems. In some cases, where you have small lots, to correct an existing septic system it may be impossible to bring it up to our new standards

or existing standards. We will have to have some flexibility in situations like that.

It may be considered a nonconforming use, but if the location of a septic bed, under the new regulations, is 10 feet from the lot line rather than the old regulation of five feet we may still have to go for something less than 10 in order to correct a pollution problem and probably get the same efficient type of treatment.

Mr. McKessock: That will be worked out with the local health authorities?

Hon. Mr. Kerr: Yes, and the local health people, of course, are concerned now that by approving certain corrective measures they are in breach of our regulations. We are going to have to have a policy for that so that the local health officials will know that they are not, in fact, infringing our regulations in a situation where we are improving an existing system.

Mr. McKessock: An engineering report of the whole village will have to be done before anything starts in this program, is that right?

Hon. Mr. Kerr: Yes, but it depends if the problem is the whole village or if the problem is part of the village. Your problem may be just a couple of subdivisions or something like that. Depending on the extent of the problem, it is the ministry's responsibility to undertake that survey at our cost.

Mr. McKessock: There is one thing that bothers me about some of these things, that it might be next fall, a year from now, before they would get approval to go ahead. If they make application this winter, is there any way that come next spring they will be able to go ahead with their septic tank in good weather? In some cases the engineers' reports are so darn long coming through. Can they look at it at a first glance and say this is a project that should go ahead and the individual can go ahead and put his tank in, and somehow the survey can be completed and the individual knows he is going to get 75 per cent of it paid for, but somehow allow him the opportunity to get it put in in the late spring or early summer at the best time for installing it?

Hon. Mr. Kerr: We have \$1.8 million in our next year's budget for this particular purpose. It is going to be pretty well on a first come first served basis. Considering our MBR criteria, where the situation is worse, some priority is allocated to that area. I don't know if snow and ice and frost at this time of year or two months from now will be a problem, but certainly we have enough information about some of your communities that have been applying for a communal system—there

have been some designed and some engineering done—to allow us to make a decision whether or not to go ahead and appraise the septic tank situation in that area.

We would have medical officer of health reports as well as our own regional information, so there is no reason why these appraisals can't be made in a hurry and the funds allocated in a hurry. It is certainly something like a communal system where you're talking of Ontario Municipal Board hearings, rate structures, agreements with municipalities, tendering and all that sort of thing. From the time point of view it shouldn't be a problem.

Mr. McKessock: Thank you, Mr. Minister. A couple of minutes ago you said Neustadt would be going ahead this year. What is the status there?

Hon. Mr. Kerr: Neustadt has a cost apparently of about \$1.2 million for sewers.

Mr. McKessock: Sewers and a lagoon.

Hon. Mr. Kerr: We have allocated about \$600,000 for next year. That will get the work started.

Mr. McKessock: On Neustadt, is that only a portion of the project you have allocated money for?

Hon. Mr. Kerr: It includes construction of a sewage collector system, sewage pumping station, force main and a two-cell, 12.35-acre waste stabilization pond with outfall. What was your question?

Mr. McKessock: Does the money allocated for Neustadt for this coming year complete the project?

Hon. Mr. Kerr: It is questionable whether it would complete the project this year.

Mr. McKessock: I would like to talk about Neustadt and Flesherton in a similar vein. They are something similar. If the money isn't allocated to complete the project this year, could some people use the program we have just finished talking about, municipal grants for private individuals, to help out until the job is completed?

Hon. Mr. Kerr: This program of septic systems is in place of a communal system.

Mr. McKessock: The problem in Neustadt and Flesherton is that they have been holding off putting in septic tanks waiting for sewers, and a lot of them are in bad shape. As long as they go through this year there is no problem. But there are always some of them that would have to be fixed.

Hon. Mr. Kerr: I would think if there are certain areas that are a real problem from the point of view of contamination of septic systems, and since our timetable from the

point of view of Flesherton is two to four years down the road, it may be that the new program would be suitable for that community. We have an estimated cost of \$2.25 million for Flesherton. That is for a complete sewage collector system and treatment facilities. What is the population there?

Mr. McKessock: It is 595.

Hon. Mr. Kerr: I would think Flesherton is an ideal candidate for that new program, assuming the right soil, topography and conditions exist and also the situation regarding the wells. This is sewage, but, as far as a septic system goes, I can see it being just an ideal candidate for this new program because their MBR rating is 285. We are dealing with communities that have MBR ratings of something above 500 right now.

Mr. McKessock: They have been five or six years planning for sewers and they have also done a secondary plan of the town, which cost them \$2,800 and which was done thinking that sewers were going to be there in a short time. Now this will throw that secondary plan really out of whack.

Hon. Mr. Kerr: Mr. Timko, do you want to comment on this as long as you don't make any great commitment? This fellow has about \$6 million for one in Grey.

Mr. Riddell: How does that compare with what is going into Huron?

[11:45]

Mr. Timko: As far as Flesherton is concerned, we are launching into an environmental assessment of all the alternatives, including the alternative of private systems, which is being discussed. We were almost ready to go, but the river is so sensitive in that area that we are taking another look before we commit ourselves completely on Flesherton.

As far as Neustadt is concerned, the project is ready for construction to start and \$600,000 has been allocated for spending in the next fiscal year, but the project will continue on until it is completed. That is roughly how much money we can spend.

Hon. Mr. Kerr: It will be completed in 1979.

Mr. Timko: It will just carry on to completion, but the contractor can't physically accomplish all the work, so we can't pay him for it in the fiscal year so the funding will carry on until the next year.

Hon. Mr. Kerr: Then there is Meaford, \$2.4 million; Thornbury, two projects, \$2 million. We have talked about Neustadt.

Mr. Timko: There is the Hanover project.

Hon. Mr. Kerr: Hanover, nearly \$3 million.

Mr. Gaunt: I want some for Huron-Bruce.

Mr. McKessock: I want to remind the ministry that these projects have been going on five, six and seven years, and they came to the point of going to construction a year or so ago and have been held up for funds.

Hon. Mr. Kerr: Unfortunately, the previous minister didn't ski.

Mr. Gaunt: I know what we have to do now.

Hon. Mr. Kerr: Get a hill.

Mr. G. I. Miller: If the minister tries to do that there could be a problem.

Mr. McKessock: In the Thornbury case—now that you have come to the hills—are the distribution lines for the water and sewer scheduled for this year or for 1978?

Hon. Mr. Kerr: Right, 1978.

Mr. McKessock: The water intake and the distribution lines are also on line for this year?

Hon. Mr. Kerr: As you know, the water plant is now under construction and the tower has been completed. I would assume from figures I have in front of me that all the projects on the drawing board for Thornbury will be completed in the next fiscal year.

Mr. McKessock: There is one here that we didn't dwell on as long as we should have and that is Meaford. The east end sewers there are in bad repair and, as you know, they have had the health authorities after them, and there has been a kind of tossing around point here in Globe Mills that has been holding the thing up for too long now. I think we have to forget about Globe Mills and go ahead with these east end sewers. What is your position on that project?

Hon. Mr. Kerr: Meaford is going ahead next year. There is a total cost of \$2.4 million and we have \$1.25 million for next year. That is for sewers. The contract documents for the sewage collection system and pumping stations are completed and tenders can be called when funds are available. The design of the sewage treatment plant extension is being held in abeyance pending more information from Globe Mills.

Mr. McKessock: This is why I think we have to forget about Globe Mills. That seems to be holding up the project and it has held it up long enough. Those southeast sewers are away overdue.

Mr. Timko: The drawings and the con-

tract documents for Meaford are expected before Christmas, so they should be reviewed and we can call tenders any time in January or February for starting in the spring.

Mr. McKessock: Good. I appreciate that. The Hanover project wants to go in 1978. The design should be completed by June and ready for construction. What is your position on that project?

Hon. Mr. Kerr: I have to be very frank with you. I doubt if construction will get under way next year. It is just a matter of money. The design is under way, as you have indicated. An OMB submission is being made pending Hanover's acceptance of our ministry's financial proposal. There is no question that everything could be ready. Assuming OMB and municipality acceptance, everything could be ready for construction in 1978. But it is a \$3 million project, and I just can't make a commitment for construction funds for next year. By the time McKessock gets through with me, I might have to knock one of the Thornbury ones out.

Mr. McKessock: Easy now. I know they haven't a project on stream, but Dundalk has a problem similar to that Ray Haggerty mentioned, of considerably more flow going into the lagoon than water being pumped. The infiltration problem is there too. I know you are going to do a TV study on it in the spring.

Dundalk has asked for an expansion of their sewage project and has been turned down. The ministry has said subdivisions there can't go ahead until the sewers are expanded, so until that sewage project is allowed to expand it's holding up the growth of the town. Here again it's a question of funds.

Have you anything to say on situations such as Dundalk?

Hon. Mr. Kerr: Do you want to comment on that, John?

Mr. Barr: We have some engineering money in the budget for next year, as Mr. Timko has indicated, to do some evaluation of the existing sewage system. As you know, Mr. McKessock, the flows are abnormal in comparison to the per capita flows you should expect from this system. If by examining the sewage system we can find the sources of infiltration—which is clear water that doesn't really need treatment—we could accomplish economies of scale, rather than just straight expansion on the existing lagoon facilities. That would mean a saving to ourselves and also to the people of Dundalk.

If examination and subsequent action to correct the infiltration problem prove to be impractical, then the obvious alternative is to expand the facilities. We think we should

have the opportunity of looking at the first alternative, which is to reduce the amount of infiltration, at a much cheaper cost than merely expanding the existing facilities. This work should be undertaken next year.

We are in a dilemma to approve additional subdivision development, which means additional flows when we already have an overloaded situation.

Mr. McKessock: The reason the grass looks greener in Grey riding isn't always because of the extra rain we get. It's because of the sewage problems.

Mr. G. I. Miller: Some comments were made this morning that we don't want to be constructive. I think the Liberal caucus has tried to be constructive. The fact is we are running short of time; we only have about half an hour or threequarters of an hour left. It is unfortunate with the problems we have across Ontario that we don't have more time to debate and come up with some alternatives and constructive ideas.

Mr. Riddell: That blasted election really threw the iron into the fire, that's the trouble, Gordon.

Mr. G. I. Miller: Anyway, I was interested that there are programs available for municipalities trying to put in new systems. You indicated, Mr. Minister, that 75 per cent of the cost can be made available for small municipalities that qualify?

Hon. Mr. Kerr: That's right.

Mr. G. I. Miller: Is there any funding available to this program from the federal government?

Hon. Mr. Kerr: This is our own program. It was the result of having to finance very high cost works in small municipalities. As Mr. McKessock mentioned about Flesherton, I believe the population was around 400 or 500—it fluctuates in the winter, I guess. We are talking about a project that is going to cost somewhere between \$2 million and \$3 million.

There has to be a better way, particularly where you have a sparsely-populated community where there is some distance between each home and there are farm properties, or properties that are more than, shall we say, urban building lots, where there is sufficient land area for a properly functioning septic system. In the ministry's opinion properly operating septic systems are as good as tertiary treatment, so rather than having primary or secondary treatment with effluent going into a very sensitive stream or a stream with very, very little assimilation, a septic system where there is treatment right on site away from ground water, away from any need

for effluent to get into a stream, is preferable, really, in many respects, to the communal type of sewage treatment.

So, with this information, with the fact that we are under budget constraints, and in view of a number of applications we have had from small municipalities for communal systems because of improper or inadequate septic systems, we have started this new program. It will also apply to some of the private systems that are available, like Aquarobic.

Mr. G. I. Miller: Can these apply, Mr. Minister, to within a region? Again it may be hard to sort out these small municipalities, but as you are well aware we have a central pipeline being established and developed at Nanticoke. There are the municipalities like Selkirk, Nanticoke and maybe even Turkey Point, areas that are in need of this type of facility. Can they qualify under the system?

Hon. Mr. Kerr: Yes. Assuming, as I say, the answer is an individual well, for example.

Mr. G. I. Miller: Now this is basically what is being utilized?

Hon. Mr. Kerr: Yes. Areas where the costs are heavy, such as small communities like Selkirk, are the type of area that would qualify for this program.

Mr. G. I. Miller: I would like to make it known, too, and I think I have before, that in my particular area the water quality is such that I think that something like 5,000 to 6,000 truckloads of water are hauled every year and are held in cistern-type holding tanks. That has to be the most expensive way of providing water. Has there been any work done in providing water lines through the use of plastic?

Hon. Mr. Kerr: Is plastic better and acceptable? Do you want to answer that?

Mr. Barr: Yes, it is.

Mr. G. I. Miller: Up to what size?

Mr. Barr: In very small systems even the two-inch, which does not provide any fire protection, of course.

Mr. G. I. Miller: Can it go up in size to four or five inches?

Mr. Barr: Oh, yes, much higher.

Mr. G. I. Miller: Can it be put in the ground by the same method as the telephone lines?

Mr. Barr: Essentially. It comes in longer lengths, is much lighter to carry, and is installed in both water mains and sewers. We go up into eight, 10- and 12-inch sizes.

Mr. G. I. Miller: Eight-, 10- and 12-inch sizes? And do you have a breakdown on the

cost at which it has been made available to the municipality?

[12:00]

Mr. Barr: Usually in the water distribution systems or sewage collection systems we have called alternative bids comparing plastics and transite pipe, if you like, or asbestos, cement, cast iron and steel, and it's really a cost comparison. The advantage in plastic is it is usually lower in overall cost, depending on soil conditions, because it can be laid in longer lengths, is easier to carry, and you don't need equipment to use it. It depends on what construction techniques have to be used versus the labour part of it in the backhoeing of soil and the excavation, which is the high cost rather than the pipes itself. We really have to look at the total advantages, but we've called for it in our contracts and have installed all types, so plastic is used in both water and sewers.

Mr. G. I. Miller: I think that is a step forward. As far as costs are concerned, are there any guidelines you have available to compare with one or the other that can be made available to the municipalities?

Mr. Barr: I don't know if this would apply directly to your question, Mr. Miller, but I think in some of the projects where we've called for alternatives we could make this information available.

Mr. G. I. Miller: I think we can pick it up, yes. Again the minister knows that my concern has been that the cost of water to some municipalities versus an average cost, a cost to Ontario, compared to the cost that's going to be charged again, in regard to the Nanticoke intake, is extremely high. I think it's 85 cents that they are charging to the municipality, then it has to be retailed out. Has any thought been given to having an averaging system so that it is not going to create a hardship for one particular area compared to other areas?

Hon. Mr. Kerr: I guess you are talking about the proposal for Townsend, for example, are you?

Mr. G. I. Miller: The price of water to the region of Haldimand-Norfolk, yes. That is, potable water.

Hon. Mr. Kerr: Of the pipe that's coming up from Lake Erie?

Mr. G. I. Miller: Yes.

Hon. Mr. Kerr: We're going to have to decide on a rate for that area that does not really reflect the actual cost. In other words, because it involves industry, as the hon. member knows, to allocate the total cost to that project to residential users just would be

prohibitive, so we have to set a special rate really for, say, people in the proposed community of Townsend and in Jarvis. Do you want to comment on that, Mr. Patterson?

Mr. Patterson: You've accurately recorded it, sir. The agreement has been resolved and settled. The price has been settled, but, yes, because of a tremendous potential for new jobs in that particular area the rate has been established as a special rate for that area. It's very, very comparable to the rate that the region has established for its larger urban centres and it was established on that basis. That program is under way, as Mr. Miller knows, because we've had correspondence with them concerning it.

Mr. G. I. Miller: How does this rate compare with the other systems in Ontario?

Mr. Patterson: That's a difficult question. I personally know of my experience in the borough of North York. I'm now paying 81 cents per 1,000 gallons, and the rate in Haldimand-Norfolk is 85 cents. So I think it's a very comparable rate, in my opinion, and a very fair rate.

Mr. G. I. Miller: This 81 cents, will that be the retail cost to the homeowner?

Mr. Patterson: No, sir. The wholesale rate to the region is 85 cents, you're quite correct in that. The region will be adding—and I'm not aware of their final decision but when I spoke with them last—in the order of 20 cents. I presume, therefore, that the retail rate to the home owner would be a little over a \$1 per 1000 gallons, which would still be under our \$110 guideline.

Mr. G. I. Miller: How do you mean that? A \$110 guideline for a total cost per annum for water?

Hon. Mr. Kerr: That is our guideline where we are subsidizing water projects. When the rate to the home owner on an annual basis exceeds \$110 per annum, then we try where possible to adjust our subsidy or any other subsidies to keep it to that maximum. Is that right?

Mr. Patterson: That's correct, sir.

Mr. G. I. Miller: That is for the water rate only. We haven't enough time to debate this, because I know there are others who would like to speak. My colleague would like to get on in the last vote, and again the time is limited. How does this compare with the other system that you were comparing it to—81 cents? What is the home owner going to pay there?

Mr. Patterson: The average home owner uses approximately 100,000 gallons, so that would be an \$81 or \$82 cost per annum,

whereas I have indicated in your municipality it would be \$105.

I am sorry, Mr. Chairman, I was remiss, didn't introduce myself. Alan Patterson, project co-ordination.

Mr. G. I. Miller: You have indicated an average home owner uses 100,000 gallons of water a year?

Mr. Patterson: Yes. I'm sorry, I mean the average home.

Hon. Mr. Kerr: That includes an average of 2.6 people.

Mr. G. I. Miller: That is certainly better than we do. We can't be that clean. We can't utilize that much water because we have to buy it. I say there is discrimination, but that is another point. Everybody doesn't have equal rights, I guess.

Hon. Mr. Kerr: Don't put all those water haulers out of business.

Mr. G. I. Miller: You have to consider the fact that they should have a right to a good supply of good quality water. I think that should be the right of anyone in Ontario, not just a few.

Getting back to the prices, how many systems are there in Ontario?

Hon. Mr. Kerr: You mean how many municipalities in Ontario?

Mr. G. I. Miller: No, there is the London system, the Toronto system, the Burlington system. I think the average price there is 50-cents a gallon. Am I wrong on that?

Hon. Mr. Kerr: I don't know, but I know you pay a lot more than \$110 a year for water.

Mr. G. I. Miller: Do you have a swimming pool?

Hon. Mr. Kerr: Yes.

Mr. G. I. Miller: You're lucky.

Hon. Mr. Kerr: Even before the pool.

Mr. G. I. Miller: If we fill our pool it costs us \$25 or \$30 a load. We don't have a pool, unfortunately.

Hon. Mr. Kerr: I haul the water for the pool. I am a down-easterner. It is salt water. I'm only kidding. My deputy lives in Mississauga and he hasn't got a pool. Of course, he hasn't three or four kids running around either, but I would be surprised if the average home in Mississauga pays less than \$110 a year for water. I think the water rates are higher. Mr. Patterson, where do you live?

Mr. Patterson: I'm in the borough of North York.

Hon. Mr. Kerr: What do you pay for water?

Mr. Patterson: I indicated 81 cents per

1,000 gallons, but that is f.o.b. my tap at the house. I still think it is an absolutely dirt cheap commodity.

Hon. Mr. Kerr: Agreed. If it is proper clean water it is a bargain.

Mr. G. I. Miller: It is a privilege for some.

Hon. Mr. Kerr: Oh, I don't know.

Mr. G. I. Miller: Anyway, I think it is still a right. I think it points out that one dollar and some cents is extremely high. It is probably one of the highest rates in Ontario, and it may well be the highest rate in Ontario they will be paying once they get some water off it. Actually, they haven't been able to—

Hon. Mr. Kerr: No, it is nowhere near the highest, because we have water projects—and we have talked about a few of them this morning—in Grey, where the rate paid by the people in the area is a minimum of \$110 per annum, and in some cases more, depending on the amount of subsidy. This is reflected in the cost of putting in a water purification plant and a distribution system. To make a claim like that on the information you have—that Nanticoke is going to be the highest in the province—is nonsense.

Mr. G. I. Miller: I didn't say it was the highest, but it is going to be. Mr. Minister, I don't want to take a lot of time this morning because our time is limited. I just want to make a few points.

What is your program in providing the trunk line system in Ontario? Do you have any program for expansion?

Hon. Mr. Kerr: Where we have a water system, for example, that extends beyond a municipality's boundaries? An intermunicipal type of pipe such as the Grand Bend pipe or the London pipe, are they the type you mean?

Mr. G. I. Miller: Yes, or Nanticoke, which is really designed to take care of more than the region of Haldimand-Norfolk.

Hon. Mr. Kerr: As far as rates go, the amount that you have struck for the Nanticoke area does not reflect the cost of construction, but may well reflect the potential use of that line over a period of time. In other words, who will use the line? How many more industries or persons may tap in that would in some way affect the overall rate charged for water from that line?

That was the basis of the criteria in London-Grand Bend and I think the one in St. Thomas to Lake Erie. There is a substantial subsidy that tries to bring the rate down to a reasonable amount. There is a compromise here in the hope it can be made up at some other time, depending on development along that line.

Mr. Patterson: That is correct. We felt that whole area has tremendous potential for industrial development. What we are building now is just the first phase and we are keeping it to the size we see in the foreseeable future. It has the ability to be expanded, and depending on the price of things five years from now, it is a truism that the more customers we can attract to that line the more the rate would have, in my opinion, a good chance of dropping. So we are going to phase it to suit the demand as it is presently envisaged.

Mr. G. I. Miller: What is the schedule then for Hagersville and Jarvis and will the municipalities such as Nanticoke be able to hook onto the line?

Mr. Patterson: The system as currently designed, is, first of all, for the Stelco mill, the industrial park, Jarvis, Hagersville and the existing small community of Nanticoke. If this is desired of us by the region we are quite capable of servicing them.

The first part of your question—the schedule for water to Jarvis and Hagersville—I'd like to make it 1980-81. It is a long way; seven miles from the lake up and our first demand is in the lower region, then we will be pushing on up to Jarvis and Hagersville in 1980-81.

Mr. Chairman: Any further questions, Mr. Miller?

Mr. G. I. Miller: Mr. Chairman, I think it is a long way. It is more like 10 miles. I don't know if that is a long way or not when they have already spent \$4 million or \$5 million and there are no results from it up to this point. The only user is industry and there is a need for it by the existing municipalities; a tremendous need by Jarvis and by Hagersville; they have really poor quality water in Hagersville.

Hon. Mr. Kerr: What is the problem? Is there a problem with the wells in that area?

Mr. G. I. Miller: The line that goes into Jarvis is undersized. It is well water at Hagersville. It is sulphurous, hard, and the system is extremely expensive from an upkeep point of view. Even the lines are being clogged up by the sediment. The whole system may have to be overhauled if they don't get better quality water in the near future.

Hon. Mr. Kerr: If that is the case we may have to look at that schedule, the timetable for the pipe from Lake Erie, unless there is some other solution.

Mr. G. I. Miller: It should be speeded up to get it to Hagersville and to Jarvis. I know there is a concern for Townsend too, and maybe the need will be there. The reason it is taken care of is it is in their hands.

Mr. Chairman, again I would like to go into what progress has been made in septi-tank systems, because I think the regulations have been upgraded, but I am not going to take the time at present.

Mr. Chairman: Perhaps you could write the minister a letter for that information, Mr. Miller?

Mr. G. I. Miller: It is unfortunate that we don't have more time to debate these items and have the opportunity of questioning the minister. It is very unfortunate.

Mr. Chairman: Thank you, Mr. Miller. I would like to remind the members of the committee that we have exactly 13 minutes to complete votes 2003 and 2004 and supplementary estimates.

Mr. Gaunt: A point of order, Mr. Chairman. Yesterday we were 10 minutes late getting started. We were five minutes late getting started this morning. Would it be possible to extend the committee hearings for 15 minutes?

Hon. Mr. Kerr: I think that is possible. Yes.

Mr. Chairman: I have a meeting at 12:45 p.m.

Hon. Mr. Kerr: We can get someone to replace you.

Mr. Charlton: I will try and be very brief.

I have a couple of questions about the SWARU unit in Hamilton. I think the minister is familiar with it. The project has been plagued with problems ever since it was in construction, and I would just like to know first of all if the ministry has had a look at the SWARU. If they have what is the ministry's opinion of that project and the ability of solving the problems that exist?

[12:15]

Hon. Mr. Kerr: We have had a chance to look at SWARU. We gave a grant of about \$300,000 to the region last year to improve the unit. There was some problem with the conveyor belt there—for example, undersizing. They were not getting the capacity out of the plant that it was originally designed for. There were some safety problems there, some rather archaic waste handling methods that had to be improved, which was done.

As the hon. member probably knows, the region has made an agreement with Tricill, which was the successful bidder—to handle the complete collection and disposal of waste for the Hamilton-Wentworth region. The proposal includes taking over the SWARU plant and operating it. They hope to operate SWARU at about 120,000 tons per year, build three transfer stations and also use landfill.

As it is part of the bid of this company and the region has a rate, which I believe is either \$12 or \$14 a ton, they know exactly what they are going to pay in this contract. It would, therefore, behoove the company to get as much capacity and production out of SWARU as possible.

This company is operating a facility in Kingston, although it is not quite the same as the one in Kingston I believe involves a pyrolysis method—but there is a refuse-derived fuel from both these plants. One of the problems again is to get some industry actually to buy the energy or use the steam that we have from SWARU in its particular manufacturing process. For SWARU to be successful, it has to be able to sell the fuel that the plant generates as a result of handling waste.

Mr. Charlton: Do you have any kind of indication at all at what level or percentage of proposed capacity SWARU is operating at now?

Hon. Mr. Kerr: It's nominal capacity is 600 tons per day and apparently it is only at around 250 to 300 tons a day now.

Mr. Charlton: If SWARU was ever to operate at 100 per cent, at 600 tons a day, how would that compare to the total disposal problem in the area?

Hon. Mr. Kerr: I haven't got the figures for the total amount generated in Hamilton-Wentworth. There are about 400,000 inhabitants there. Apparently, there are six separate landfill operations now in that region, as well as SWARU. Maybe Wes Williamson can give us an idea of the total generation of waste there.

Mr. Williamson: Williamson, resource recovery branch. I believe the total generated in the area has been estimated at about 1,000 tons per day.

Hon. Mr. Kerr: If we can get SWARU to its nominal capacity of 600 tons, we are talking about roughly one-third resource recovery for that plant.

Mr. Chairman: Ms. Bryden, do you want to discuss items under vote 2003 also?

Ms. Bryden: In view of the shortness of the time, I think I will defer so we can go on to the next vote. I was going to raise the question of Hidden Valley and its problems but perhaps I can deal with that by letter.

Vote 2003 agreed to.

On vote 2004, resource recovery program:

Mr. Chairman: Is this the vote you wanted to discuss?

Ms. Bryden: Yes, but I think I will let Mr. Gaunt go first.

Mr. Chairman: I think Mr. Gaunt was interested in the supplementary estimates.

Mr. Gaunt: No, my friend from Beaches-Woodbine is interested in the supplementary estimates. I am interested in this vote.

Mr. Chairman: Very good, Mr. Gaunt, proceed.

Mr. Gaunt: My friend from Beaches-Woodbine wants 10 minutes or so to discuss the supplementary estimates and so I'll be very brief. I wanted to talk about resource recovery last time, and I make it as a footnote to what I have already said earlier on in the estimates, particularly in respect to my opening statement.

I am sure that future researchers will view the decade of the Seventies as a period when the recovery movement in this country was born and developed. It experienced assorted ills and growing pains, reached stages of demonstration and had its beginnings of commercial application. All right, where are we today? Where are we as of December 8, 1977?

Let's look at the United States. There are 15 plants on line and seven more are under construction, with at least 20 jurisdictions in advance stages of final planning, contract awarding or ground-breaking. Concurrent with these commitments, dozens of other communities are actively considering recovery approaches. At the beginning of 1980, by conservative estimates, the plants that will be on line will be processing more than six million tons of municipal refuse annually for recovery. This is in addition to the probable 10 million tons of source separated materials, primarily paper.

The effort to apply machines and systems to garbage is indeed very complex. There are no quick fixes. It's a difficult matter. The drive for environmental betterment, the search for new energy sources and the goal of conservation of resources are all, I hope, provincial objectives. Yet solid waste management is essentially a local responsibility and so the commitment to recovery must be a local undertaking.

Effective innovative change at the local level can be a lengthy and frustrating exercise. Municipalities for the most part are capital poor and often reluctant to pursue long-term approaches to problem solving, particularly when there are risks involved. However, the climate for resource recovery is becoming more favourable. The initial trail blazing has been accomplished.

There is another situation which should

stimulate the move to recovery. That is the search for fossil fuel substitutes. Energy and material recovery are much broader issues than a community's disposal problems, and that is why the provincial government and the minister can inject themselves into the picture and give some strong leadership to communities across this province. I suggest the minister take the bit in his teeth and do just that. I'm well aware of the program to fund these plants and recover at 50 per cent over a 40-year period, but perhaps we will have to sweeten the pot and give additional leadership to municipalities across the province.

Let me give the minister one example where leadership could immediately be shown to solve a difficult problem. One of the most difficult refuse products to get rid of is tires. They don't burn very well; you've all kinds of problems. Yet there is a very simple disposal process: These tires can pass through a chilling chamber cooled by liquid nitrogen to obtain a temperature of -273 degrees Fahrenheit. When the tires move through that chamber, they are then struck with a blow, and they shatter. They are destroyed, but more important that end product can be used to reinforce asphalt mix in the construction of roads. The municipality of Metropolitan Toronto wanted to undertake a pilot project to do just that, because there are a lot of old tires around this city. It would cost \$10,000, and the people who were advancing that proposal at city council could not get it through. Metro would not put up \$10,000, so the thing is in abeyance for the moment.

Perhaps the minister could work with Metropolitan Toronto and put up part of the money. Better still, you could work with MTC and they would put up a portion of the money. Between the two of you, perhaps you could put up 50 per cent, which would mean \$2,500 from each ministry. I don't think that will break anyone's heart.

Hon. Mr. Kerr: Oh no. If we had that can tax revenue we could double that.

Mr. Gaunt: I have only three minutes to discuss the can tax. I don't think I could do it justice in three minutes, so I'm not going to do it at all.

Could the minister undertake to talk to his colleague the Minister of Transportation and Communications (Mr. Snow) and see if you could do that, because it's a problem all over the province? These tires just end up in landfill sites. You can't burn them; you can't do anything with them. The only thing you can do is get them out of sight, and the only

way you can get them out of sight is put them in the landfill.

Hon. Mr. Kerr: IS-5, do you know that organization?

Mr. Gaunt: Yes.

Hon. Mr. Kerr: IS-5 has been involved in that. I believe we have a study or report from IS-5 on the quantity of tires going to landfill, suggesting alternative use.

[12:30]

I'm amazed the rubber companies haven't been involved in recycling old tires. It's like glass, metal and paper; it's a matter of getting depots set up. A lot of tires are thrown away that shouldn't be, because they could be re-used through retreading or something like that.

Mr. Gaunt: Like pop cans.

Hon. Mr. Kerr: The problem is the number of tires that go to landfill unnecessarily.

Mr. Gaunt: That's right. When the tires come out of this freezing process, they remove the wire and steel reinforcement and use them in asphalt mix or perhaps new tire construction. Perhaps the minister can contact the rubber companies and give a little leadership in that area.

I understand that in road construction it's an excellent material. Roads constructed with the addition of this material increase their life by up to 100 per cent, particularly in colder areas, because of the contraction and expansion that takes place in a roadbed with hot or cold weather. I guess the rubber gives an elasticity to the pavement which it otherwise doesn't have and hence increases its longevity.

I would really be interested in what the ministry has on that. Perhaps I can talk privately about it after these estimates are completed. But I say to the minister, that's certainly one area where you can immediately give leadership. Perhaps we can get something going in this respect.

Hon. Mr. Kerr: Do you want to comment on that briefly, Wes?

Mr. Williamson: As far as Metro Toronto is concerned, we did discuss it with them in the early stages. We haven't done anything further; they haven't come back to us. If they did proceed, we would be very interested in working with them. As far as asphalt for roads is concerned, it's been well proven that it is a useful additive. We would also be interested in looking at some of the other options such as pyrolysis, to produce energy from the tires.

Mr. Gaunt: Okay, just one final question: When the minister was at Waterloo on November 19, I understand that during a

question period he said the ministry was prepared to fund both front-end and rear-end resource recovery plants. I wanted to make absolutely certain that's the case.

Hon. Mr. Kerr: I believe someone from Oakville asked me about a back-end plant. Our policy at the present time is to finance front-end plants. You had time to ask that question, didn't you?

What I said was, if a municipality had a reasonably long-term contract or agreement with an industry—I think the gentleman who poked to me said the Gulf Oil Refinery in Oakville was prepared to use that type of refuse derived fuel from a back-end plant—to supply this to an industry such as Gulf, we would certainly assist the municipality in building the plant.

Vote 2004 agreed to.

Mr. Chairman: That completes the regular estimates of the ministry. We'll now move to the supplementary vote.

SUPPLEMENTARY ESTIMATES, MINISTRY OF THE ENVIRONMENT

On vote 2002, environmental assessment and planning program; item I, program administration:

Ms. Bryden: Mr. Chairman, I understand the vote in the supplementary estimates here is just to carry the Hartt royal commission through to March 31, 1978. It mainly covers the costs of preliminary hearings and an interim report, which I think the commissioner expects to produce before the end of the fiscal year from the hearings he's been holding, which will indicate to us what he thinks should be the main concerns of the commission.

No doubt there will be some narrowing down of focus in his report, but there may possibly be some expansion of the geographic points which the commission will wish to visit and some assessment of whether there is sufficient public funding to ensure effective public participation by all the groups which have interests in the future of the north.

I'm sure the minister is well aware that an inquiry which purports to hear all views is not fulfilling its function if those views are presented before it on an unequal footing or if some interests are not able to appear at all because of the costs. That is one area that I hope the commissioner will look at as well—as to whether he feels that all interested groups, both in the north and in the south, are able to appear before the commission.

I don't believe the present estimates cover any hearings in southern Ontario at the mo-

ment and I think that is something that should be very seriously considered, because northern development is a concern of the south. The whole economy of Ontario is somewhat underpinned by the development of our northern areas, but the residents of the north, of course, have the first interest in the protection of their environment and the way in which the north is treated, so until we receive the interim report from the commission it is difficult to say if the amounts in the supplementary estimates are adequate for the purposes of the commission.

I would urge the minister and Management Board, after the interim report is received, to consider the need for further supplementary estimates in this fiscal year if the commissioner finds that there are further geographical points he should be including or if there are groups that have not been funded that should be for this preliminary period. I would also hope that when the estimates are being prepared for the next fiscal year there would be an opportunity for the Legislature to review the interim report and perhaps look at the terms of reference again, to see if we agree with the proposals for narrowing the focus or selecting the areas which the commission will concentrate on in the next stage of its hearings.

I think the subject is very, very wide. The royal commission on the northern environment is a rather vague title, so it will be necessary to focus its deliberations on some specific areas of concern. I would like to recommend that the minister considers making it possible for the Legislature to have a discussion of the terms of reference shortly after we come together again in the new year.

Those are my main comments, Mr. Chairman.

Hon. Mr. Kerr: Mr. Chairman, it's important to realize that these are supplementary estimates for this year, for the year ending March 31, 1978, to cover the preliminary hearings that are going on at the present time. I would suggest that the figure of \$1,670,000 is the estimate submitted by the commissioner, Mr. Justice Hartt, and is quite generous, allowing for public participation to a substantial amount, mainly by native groups in the north.

I would think the same criteria would apply to hearings in the south in situations where the applicant can qualify for that type of assistance. I'm not exactly sure what the criteria are, but I believe the money is mainly for groups and for those people who have not otherwise got the financial resources to make such an appearance.

Ms. Bryden: If there are no hearings in the

south it is going to be very difficult for groups from the south which are also concerned to appear.

Hon. Mr. Kerr: I understand there will be hearings for two days this month at OISE.

Ms. Bryden: Has that been announced?

Hon. Mr. Kerr: Yes.

Ms. Bryden: I'm sorry. I'm out of date.

Hon. Mr. Kerr: It's already announced. It's been advertised.

Ms. Bryden: That is very good news.

Vote 2002 agreed to.

Mr. Chairman: That completes all the estimates of the Ministry of the Environment. I want to thank the minister and the members of the committee for their participation.

Hon. Mr. Kerr: I'd like to thank the two opposition critics for being very fair and constructive.

The committee adjourned at 12:43 p.m.

CONTENTS

Thursday, December 8, 1977

Environmental Assessment and Planning Program	R-1103
Environmental Control Program	R-1115
Resource Recovery Program	R-1123
Environmental Assessment and Planning Program (Supplementary Estimates)	R-1125
Program Administration	R-1125
Adjournment	R-1126

SPEAKERS IN THIS ISSUE

Bryden, M. (Beaches-Woodbine NDP)

Charlton, B. (Hamilton Mountain NDP)

Gaunt, M. (Huron-Bruce L)

Haggerty, R. (Erie L)

Havrot, E.; Chairman (Timiskaming PC)

Hennessy, M. (Fort William PC)

Kerr, Hon. G. A.; Minister of the Environment (Burlington South PC)

Lane, J. (Algoma-Manitoulin PC)

McKessock, R. (Grey L)

Miller, G. I. (Haldimand-Norfolk L)

Riddell, J. (Huron-Middlesex L)

Ministry of the Environment officials taking part:

Barr, J. R., Assistant Deputy Minister, Regional Operations Division

Caplice, D. P., Director, Environmental Approvals Branch

Cockburn, Paul G., Regional Director, Central Region, Regional Operations and Laboratories Branch

MacFarlane, C. J., Regional Director, West-Central Region, Regional Operations and Laboratories Branch

Patterson, A. B., Project Manager, Project Co-ordination Branch

Timko, J. M., Project Manager, Project Co-ordination Branch

Williamson, W., Director, Resource Recovery Branch



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Resources Development Committee

Estimates, Ministry of Natural Resources



First Session, 31st Parliament

Friday, December 9, 1977

Speaker: Honourable John E. Stokes

Clerk: Roderick Lewis, QC

CONTENTS

A list of the speakers taking part in the debates in this issue of Hansard appears, in alphabetical order, at the back of this issue.

Daily contents of proceedings also appears at the back of this issue. Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff. Phone 965-2159.

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LEGISLATURE OF ONTARIO

FRIDAY, DECEMBER 9, 1977

The committee met at 11:34 a.m.

ESTIMATES, MINISTRY OF NATURAL RESOURCES

Mr. Chairman: I will call the meeting to order.

Hon. F. S. Miller: My remarks will be very brief.

I am pleased to present the estimates of my ministry for the 1977-78 year. This portfolio has been mine for just over 10 months and it has been a highly satisfying and rewarding time for me, a learning experience that is still going on. As a matter of fact, I'm quite sure you are going to teach me a few things I don't know in the next day or two.

I've spent part of the time travelling to places in the province where the ministry is directly engaged in resource management—the forest areas and the mines in the north, the provincial parks, the rivers and the lakes, the tree nurseries and the fish hatcheries—to see firsthand how we do what we do. I have been impressed by the many members of my ministry staff with whom I've dealt, both in the field and in main office. They are a highly professional and dedicated group of people who care about their work and their responsibilities. I think most of you will echo that because you deal with them pretty regularly.

Some of the senior members of the staff are with me. As a matter of fact, I think almost the entire audience is from the ministry. I'll read the names. I'm sure you know my deputy minister, Dr. Keith Reynolds, on my left. The rest of the staff is seated behind me and you may know some of them. If they would put up their hand as I mention their name, you may remember the job they do. Lew Ringham, assistant deputy minister in northern Ontario; Bill Foster, assistant deputy minister, southern Ontario. Is he not here at the moment? He's on his way. Okay.

Art Herridge, assistant deputy minister, resources and recreation; Lloyd Eckel, executive director, division of parks; Bill Cleaveley, executive director, field services division; Jim Keenan, executive co-ordinator,

lands and waters; Doug Spry, executive co-ordinator, finance and administration; Maurice Churchill, budget supervisor; Mark Cox, program analysis co-ordinator; Frank Moritugu, director, information services branch; Jim Lockwood, executive co-ordinator, forest regeneration; Mary Mogford, director, policy co-ordination secretariat; Tom Mohide, director, mineral resources branch; Ed Pye, director, geological branch; Don Johnston, director, wildlife branch; Doug Drysdale, director, timber sales branch; Doug Moddle, director, mineral research branch and my executive assistant, whom most of you know, Lyn Munro, seated in the back.

Bill Foster came in in the middle of that. We didn't miss your name, Bill. You can now wave your hand and they'll know who you are. Other members of my staff are available to be called upon whenever necessary, and in fact I would encourage them to be involved in the discussion as much as possible.

My opening statement will touch upon a few highlights of our programs to advise you of our current approach to the responsibilities. My ministry is asking for a total budget of \$224,646,000.

Last April, we, like other ministries, transferred some funds and staff complement to the new Ministry of Northern Affairs and during 1976 the mines engineering branch and budget were moved to the Ministry of Labour to become part of the newly established occupational health and safety division. When these deductions are taken into account, the increase in our estimates for this year comes to just over \$22 million, or 10.9 per cent.

I think it's fair to say that in a time of necessary constraints across government, we are holding the line overall. However, we have adjusted our priorities so that increased funds are being allocated to forest management activities. These are resource development areas where it is necessary for the ministry to take stronger steps to bolster long-range prospects for the sake of the Ontario economy and the continued well-being of the communities and people dependent on those resource industries, which means all of us.

Under forest management, as I've told several audiences in recent months, the most important single task I've set myself in my term as Minister of Natural Resources is to do everything within my ability to direct an effective program to revitalize forest regeneration in our province. To back this up, we have increased this year's budget for regeneration by 30 per cent in total. Next year, I hope to be back for approval for a similar increase.

One move we have made towards a significantly new approach in renewing our forest resources involves the recommendations in the Armson report. That study, prepared by Professor Ken Armson of the University of Toronto at the request of my predecessor, Leo Berlier, strongly emphasized the necessity for harvesting and forest regeneration being planned simultaneously, and for harvesting to be carried out in a manner that will aid, not impede, regeneration of the harvested area.

Professor Armson recommended a policy requiring harvesters to accept at least the operational responsibility for regeneration—the responsibility traditionally accepted by the ministry. We have taken this recommendation and given it special and immediate action.

One of our most senior men, Jim Lockwood, who is well-known and well-regarded by the industry, and who was executive director of the division of forests for the past five years, has been freed from all other duties to allow him to get discussions started with the large industrial companies involved, and to see how fast progress could be made. He is to recommend to me mechanisms for developing and instituting such a new direction of policy and implementation. Mr. Lockwood's title is executive co-ordinator, forest regeneration, and he reports directly to the deputy minister. The discussions he has initiated have been with 10 large forest product companies, and they are still going on. The first response, as might be expected, was understandably guarded, but I think it's fair to say that for the most part there's a shared recognition that a new order of things is inevitable.

I perceive a growing receptiveness to these proposals from industry. Indeed, several companies are pressing us to get on with the task, a challenge we are happy to face and to which we plan to respond as quickly as practicable.

This is not a simple matter. Many factors must be taken into account, such as the need for different tenure arrangements for a timber area and incentives for regeneration in any such new agreements. We are in this exploration wholeheartedly, and we aim to

find the most practical way of improving forest regeneration.

We are also looking into ways of synthesizing the often conflicting views on how forest regeneration can best be achieved. Forestry is still as much an art as it is a science, and I've found there is much disagreement on how things should be done within the profession. I've learned that it's dangerous to over-generalize or to oversimplify this topic.

Mineral management: I turn now from the forests, a renewable resource, to the non-renewable resource—minerals. As I have mentioned, the only significant increase in budget allocation other than that for forest management is for mineral management.

It is obvious that mining in Ontario is undergoing a tough struggle for economic survival at the moment. The domino effect on the communities and people who depend on the health of that industry could be considerable. While attempting to counteract the blows inflicted upon the mining economy from forces outside Ontario's borders, we are also making moves to stimulate new discoveries for developing in the future.

Two initiatives that have been announced this year are worth mentioning again. The first is the massive project, funded by the Ministry of Northern Affairs but administered by this ministry's geological branch, to accelerate mineral exploration activities in different parts of the north.

This three-year program, announced last June, is now under way, and will include such things as further surveys of the Onakawana lignite deposit area beyond the location now being intensively explored by a private company, and a 65,000 square-mile engineering geology survey of northern Ontario terrain which will employ air photo interpretation and on-ground mapping to determine the specifics of ground conditions. From this terrain survey will come data that will pinpoint aggregate resources and sites worthy of detailed mineral exploration, as well as data for planning or regional land use, transportation corridors and townsite locations.

The second initiative in the area of mineral exploration is the new \$2,775,000, five-year university program of geoscience research I announced last month. It is to begin next fiscal year.

This project is to meet the basic need—to find ways to "see" beyond 200 feet below the surface to locate mineral deposits. Our province is one of the most highly explored areas of the world. Virtually all deposits on the surface or near it have probably been discovered. We are turning to the best scien-

ists at our universities to work with us in developing ways to better understand the nature and origin of mineral deposits and their geological settings, so that hard-to-locate deposits can be traced, and to develop new analytical tools and methods for deep exploration so that private companies will be able to do their close-in exploration of favourable sites.

[11:45]

Another step we took earlier last year was the opening of a geochronology laboratory at the Royal Ontario Museum. Established with ministry grant, this facility is one of the most advanced of its kind in the world. There, ministry and ROM scientists will be able to measure the ages of rocks of the Precambrian shield, using highly sophisticated techniques. This is another important step in mineral exploration because determining the age allows geologists to pin down how ore deposits were formed, and from that knowledge to predict where more deposits may be found in the shield, which of course contains most of Ontario's mineral wealth.

The government's role is to make mineral exploration and development by companies possible and attractive so as to enhance the growth of mining in the province. We do the preliminary work—the rough work, so to speak—which companies in these difficult times are understandably loath to take on because the payoff possibilities are too remote. The companies' role, then, is to follow up with the detailed work—to home in on potential deposits and explore the practical possibilities of development. I am confident the different mineral exploration projects I've mentioned have the best possible chances for productive results.

One asset the ministry possesses in this work is the geological branch, which will be co-ordinating these projects and working closely with the outside experts in each instance. Our own geologists have a well-deserved reputation for pioneering in their field and are a first-class resource in themselves.

Fisheries: Although it is not specifically reflected in our estimates for this year, I'd like to mention the ministry's continuing work on developing a more effective approach to the management of all our fisheries. A federal-provincial task force has come up with a proposal for strategic planning for Ontario fisheries—we were talking about it this morning—which could tackle the problems we face with fisheries management in a more comprehensive way.

The plan has been going through its public review phase and, with almost no exception,

reaction from different interest groups has been quite favourable. The plan and its proposals are being refined and I will be studying them in detail before it goes further ahead through the policy and administrative procedures.

The main feature of the proposal is to approach fisheries management in a comprehensive manner, rather than in a piecemeal fashion. Thus, such a program would consider these needs and desires of the people of the province: A healthy human environment; an abundant supply of fish for food, fish fit for human consumption; the employment and income aspects of fisheries, as well as the recreational opportunities they offer; the harmonious use of fisheries in conjunction with the other uses of water; and the ensuring of a fishery resource for future generations.

I plan to report on this situation further as our policies are developed and implementation proceeds.

Ministry management improvement plan: Another move under way is an internal one—some changes in the organization of the ministry under the management improvement plan announced by the deputy minister to the staff on November 24.

The changes of the first phase of the plan are being phased in. They began the first of this month and will be completed by April 1 of next year. These changes are in senior positions and the regrouping of the program areas in the main office. They have no connection with the categories under which our estimates will be examined. The management improvement plan is based on the recommendations of studies conducted within our ministry during the past year, and aims to do the following:

Delegate authority and responsibility for program delivery as far as possible to regional and local offices;

Change the main office role into policy planning and co-ordination plus technical support;

Co-ordinate program efforts so that the management of any one resource will be mutually compatible with all others. This would mean, for example, that our management of forests will more fully take into account the needs of fish and wildlife, mining, parks and land use and so on, across the various program areas.

We'll meet the demands of government constraints by streamlining our operations and reducing executive and staff positions. The incumbents will either be assigned to positions of higher priority or leave through normal attrition.

On April 1, 1978, the ministry will be made up of five program groups, rather than seven divisions. The groups will each be headed by an executive co-ordinator and will be lands and waters, made up of the conservation authorities branch, the engineering services branch and the three branches from the division of lands; outdoor recreation, made up of a provincial parks branch, a fisheries branch and a wildlife branch; forest resources, made up of the forest resources branch and the timber sales branch; mineral resources, made up of the Ontario geological survey and the mineral resources branch; and finance and administration group, which is the same as the present division under that name.

The assistant deputy minister for northern Ontario, Lew Ringham, will have the newly amalgamated air service and fire management branch under him, in addition to the four northern regions. The assistant deputy minister for southern Ontario, Bill Foster, will have the same four southern regions reporting to him as at present. The duties and responsibilities of these ADMs will increase in importance as management responsibility is further delegated to the field.

We will be going to Management Board soon for approval of another vital senior change—the setting up of a new position of assistant deputy minister for policy and priorities, to be the key planning and co-ordination unit in the ministry. Art Herridge, currently ADM for resources and recreation, pending approval, will take over that job.

The position of assistant deputy minister for lands and waters has been eliminated, so hereafter we will have only three assistant deputy ministers. In these changes five branches are also disappearing, being amalgamated into other branches. Three of them are the research branches for forests, fish and wildlife, and mines. They are going to become more mission-oriented, to fit the overall government policy towards research, and will retain their key roles in appropriate program management branches.

The other amalgamations: The air service branch and the fire control branch become one, called the air service and fire management branch; and the park planning branch and the park management branch join forces to become the provincial parks branch.

The other aspect of this management improvement plan is that it is scheduled to be implemented over a three-year period, ending December 1980. There will undoubtedly be other changes as we go along, but many of them will be procedural ones to enable the ministry people on the front line to manage

their activities more effectively and thus bolster our main goal—to serve the people of Ontario.

Those are my opening remarks.

Mr. Haggerty: I want first to explain to the committee that I am replacing Mr. Ear McEwen, the member for Frontenac-Addington, who was apparently caught in the snow storm and can't be here today.

I want to congratulate the minister on his statement this morning. I hope it isn't cosmetic approach to the problems facing his ministry. I noticed he has a change in the different portfolios within the ministry. I see the 30 per cent increase in the area of forest regeneration, and the increase in activities in mineral exploration. Speaking as a member of the Liberal caucus, we welcome this particular change in the ministry.

In Ontario we have a situation in which our resource industries have been so badly managed they are very seriously threatened. The forest, mining, and fisheries potential of this province are all threatened with virtual extinction. It is understating the situation to say this government has not done all it can to ensure a healthy management of these resources.

The first topic I wish to deal with, and one I'm sure the minister will agree a most pressing problem in northern Ontario, is the topic of reforestation and the complete failure of forest management. It is quite obvious we require a more responsible reforestation program on the part of the government.

Despite its mandate to manage the forest areas of this province, the government has concentrated on regulating and administering and has succeeded in maintaining the primitive, exploitive nature of the forest industry in Ontario. The wood manufacturing companies have naturally tended to develop the most accessible forest land in the traditional exploitive fashion. In the 1970s expanded industrial development has been constrained by the availability and cost of wood, energy requirements, manpower, and the enormous capital outlay for additional plant facilities. The crucial point of the industry, however, is of course the wood supply. If the companies continue to use only the accessible first forests without adequate replacement procedures, the economic impact of decline will be felt throughout the province.

The most important characteristic of the forest industry is that it is a renewable resource. If managed and handled properly, forests can constantly and forever renew themselves. This should be the beginning and the end of government policy. However, through neglect and maladministration, the

government has brought the forest industry to a crisis. At the current rate of production and regeneration, Ontario could run out of productive forest land within two decades.

The calculated annual allowable cut for crown lands in Ontario is presently about 2.6 million cunits—8.8 million of softwoods and 3.8 million of hardwoods. The present level of consumption is about 5.5 million units.

The present calculated allowable cut of 2.6 million cunits is based on accelerated cut factors to permit the harvest, as quickly as possible, of the surplus of overmature age classes. Once this timber is cut, the new allowable cut will drop down to about nine million cunits per year. Also, some areas included in the allowable cut calculations are inaccessible and will be unavailable for harvest. The annual allowable cut is also based on the assumption that all cut-over lands are being regenerated back to at least the same level of productivity, which is not the case here in the province.

To even achieve the modest target of 9.1 million cunits per year, which is the government's adopted forest production policy by the year 2020, on a land base of 56 million acres, a mean annual increment of about 16.3 cubic feet per acre per year will be required. That is, an increased growth rate of more than 50 per cent to meet the current Ontario production target. Therefore, when we consider all the factors, it is apparent the present level of cutting in Ontario is already approaching the critical level.

I was happy to hear, in recent statements of the minister, that his first priority as Natural Resources minister is a commitment to forest regeneration. We have called for it from this side for a long time and have supported any possible moves that the ministry has made in this direction.

The minister has reconfirmed the government's famous promise, as contained in the government's provincial charter, to plant two trees for every one cut and to regenerate all of the provincial lands cut over annually.

I wonder if the minister might not deal in specifics on the approach that the ministry will take in its solution of the regeneration deficit. For the past three years, for example, 1973-74, 1974-75 and 1975-76, the ministry has estimated a total of 273,000 acres of unsuccessfully regenerated forest land. For 1976-77, of the 397,266 acres of cut-over forest land, 224,362 acres were estimated to require regeneration treatment. Of this area, only 171,542 acres were actually treated.

No doubt a significant increase in funding by the provincial and federal governments,

along with the forest industries, will be required to meet forest management needs. The present level of expenditure is simply inadequate. For 1975-76, roughly 33 per cent of the forest management expenditure went into silviculture operations. In 1976-77 the ministry has included silviculture support along with silviculture operations and they are not broken down into separate components. However, the story remains the same. I wonder if the minister will comment on the increased expenditure on force regeneration that he foresees in the next few years, and what percentage of the force management budget will go into the silviculture operations.

[12:00]

Also, has the minister approached the federal government for joint funding for silviculture operations in Ontario, similar to the programs available in other provinces under the DREE program?

Will the minister comment on whether any specific conclusions have been reached regarding incentive programs to the major pulp and paper companies in return for their assuming responsibility to regenerate forests they harvest? What proposals are being discussed regarding stumpage dues if the industry takes over this function?

The government must not only control the cutting practices of the timber companies, it must also crack down on the wastage of the wood to ensure that all parts of the trees are used and not left to rot in the forests. In 1975, the government's report on the special program review stated that "forest industries are wasteful in their logging operations in that they leave significant amounts of usable fibre, and also chose to harvest only preferred species."

They suggested that the efficient use of the fibre per acre could be improved up to 25 per cent and recommended that the scheduled charges for wasteful practices be raised to a level that would reduce or remove such waste. The government's reply at that time was that this recommendation was under review.

Another area where the government can act is in the area of energy efficiency. The pulp and paper industry is probably the most energy-intensive of the province's manufacturing industries, accounting for between three to 10 per cent of the total operating costs of the forest-based industries in Ontario. Energy costs are contributing a significant burden to the industry. Testimony before the Ontario Legislature's select committee on Hydro last year indicated that it was the pulp and paper industry which provided perhaps the greatest opportunity for meaningful con-

servation. What is needed is the government's commitment, perhaps the setting up of a task force for the bringing to bear of organization, research and special incentives.

I think what is definitely required now is a new provincial forest management Act, a complete new look into the development, review and revision of the province's land management plans and for the protection and development of the renewable resources and supply of the provincial forestry products.

The Hartt royal commission's terms of reference alone spell out the government's lack of a forest management policy in the past. There just was not any such plan. A renewable resource management Act should have top priority in this ministry. It must rest on a sound, comprehensive assessment of the present and anticipated uses and the demand for a supply of renewable resources from both public and private forests.

A renewable forest management Act must carefully analyse both environmental and economic impacts and must co-ordinate multiple use and sustained yield. Opportunity should be a motivating force in promoting the efficient long-term use in improvements of the renewable resources. I believe in this particular area it has been spelled out in the Hartt commission's terms of reference that the public should have an opportunity to participate in the plans of the development, review and revision of land management plans.

I notice from the minister's statement this morning that he shuffled his staff in certain areas that are important to the ministry, but he mentioned nothing in particular about including somebody from the public to have some input in the forest management programs in Ontario.

The past record of the administration of the public lands is a record of neglect in the important area of forest management. Study after study has not moved the administration to providing Ontario's future generations with a forest industry for the years ahead. In fact, I'm going to suggest to the committee that in this area, relating to the ministry's new proposals, setting up a special area relating to forest industry, that perhaps he should be looking to move it to the Ministry of Agriculture and Food. In a sense, it's a form of farming.

Hon. F. S. Miller: Sure it is.

Mr. Haggerty: I believe, as well as others, that forestry deals with an agricultural product. Advances have been made in the field of silviculture and its relocated effect on the forest's renewable resources, but a co-opera-

tive approach in forestry and research can be achieved through an agency such as the Ministry of Agriculture and Food. The Ministry of Natural Resources is too large an administration actually to devote its full resources in the area of forest management. In this area, the government has full responsibility and an opportunity to be a leader in ensuring that the province maintains a natural resources conservation program to meet the needs of the future generations.

If the government had had a program such as I have suggested to the minister, we wouldn't have to have the Hartt commission do a study on northern resources that's going to take three or four years. Northern Ontario is now almost at zero growth in forestry and in mining. It will take three or four years to complete the hearings now going on and I can see that northern Ontario will be at a standstill until this report comes through.

Another topic of major importance for the economy of Ontario in the Natural Resources area is the state of mining industry. We now find that the whole mining industry is in very severe difficulty. We have been telling the minister for a number of years now of the problems that were coming in this area but the government has not responded. In the ministry's own report, "The Ontario Metal Mining Industry—Present and Future," released in February 1977, concern was raised over the accumulating inventories of finished metal products. It warned that unless markets improve soon further reductions in mineral production could not be averted.

Since an important early warning indication of the health of the mining industry in Ontario is the level of exploration activity in the province, mining can anticipate a continuing decline. No discovery leading to a new mine construction has been made since 1971. A number of proposals to alleviate the situation were made in the government's report. However, no move by the government has been made on how and when to react to this lag in the mining industry. It is about time the new minister got together with the federal government to determine some policy in the field of mining taxation and royalty policy.

I was pleased this morning about the question from the member for Sudbury East (Mr. Martel), who asked the Premier (Mr. Davis) whether there couldn't be some meeting between the Premier and the federal government about reducing mining taxes. That's quite a switch. Normally the NDP are saying, "Tax them more and more." That's quite a switch this morning. I was pleased to hear

that from him. Maybe they're seeing some light.

New mining developments in Ontario have virtually disappeared in the last two years as a result of the restrictive junior mine financing policies of the Ontario Securities Commission. This very point was made to the previous Minister of Natural Resources (Mr. Bernier) last year by our party. Nothing was done. I am happy to see that the minister as now contracted for Natural Resources People Canada Incorporated to look into this question and I hope he will act on this problem shortly. Furthermore, can the minister comment on whether there are any specific approaches the ministry is taking on the taxation and regulation of the mining industry in Ontario?

Indications are that there will be no short-term improvements and that the Canadian and metal mining sector will remain troubled for some years to come.

The Ontario metal mining industry report states about nickel: "It is suffering from a massive accumulation of inventory of finished metal as a result of the recent recession and of lower than anticipated rates of growth of consumption in major markets."

It says this about copper: "Stockpiles are at high levels throughout the world and there is little promise of price strength in the near future."

In the case of zinc, it says: "Ontario's inventory of known, undeveloped, zinc reserves is not adequate to maintain its present mined zinc production status in the world through the year 2000."

About iron the report says: "There is very little probability of the establishment of new iron mines in Ontario in the next five to 10 years. Several existing iron mines in Ontario are expected to close in the next five to 10 years so it appears this portion of the Ontario metal mining industry is due for a marked reduction in size."

Finally, in reference to gold the report says: "The future of much of the Ontario gold mining industry is in doubt, if not in jeopardy."

We are going to have to start thinking about the long-term prospects for Ontario and Canada's mining industry. The prospects are not going to get better. We in the Liberal Party believe the government should now expand the terms of reference for the standing committee on resources development looking into Inco layoffs in Sudbury and Port Colborne. We believe the standing committee be constituted as a select committee to inquire into the state of the resource sector in On-

tario and to make recommendations in those areas.

On the question of provincial parks program in Ontario, I believe there is a need for a parks policy to guide the development of the provincial parks system. A preliminary draft of a parks policy for Ontario was prepared by the parks planning branch in the spring of 1976. The Provincial Parks Advisory Council has reviewed this draft and in its annual report this year states the council called for an implementation of a parks policy a year ago and has recommended the Minister of Natural Resources take immediate steps to obtain government approval of the proposed provincial parks policy and to implement this policy. Will the minister be acting on this recommendation in the near future?

An example of the accepted method which we have had in provincial parks planning with the emphasis on timber exploitation is Lake Superior Provincial Park. The sequence of events detailing this controversy can be found in the latest issue of the Ontario Naturalist.

In 1972 "Master Park Background Information" was produced by the Ministry of Natural Resources on the planning for this park. Five years later, despite repeated appeals to the government for opening of the planning process, nothing was done. It was not until June 1977 that the Lake Superior park preliminary master plan was released.

In December of last year, the Provincial Parks Advisory Council was told the park planners were attempting to negotiate a compromise with the logging companies in the park to protect 46 per cent of the park from timber extraction. They, however, did not succeed, since two logging companies have 95 per cent of the park locked up in timber licences. While the master plan reduces the logging area in the park to 56 per cent of the park area, the revised timber limits cover the area of the park not already cut over. Moreover, silviculture programs in the park were terminated in 1972, ostensibly pending adoption of a master plan, even though logging accelerated.

It would seem that government's true parks policy is to see the whole park logged before it is turned into a wilderness area.

On another point, I would like clarification by the minister on the role and relationship between the provincial parks and the private sector. The Provincial Parks Advisory Council in this year's report recommended that "the Ministry of Natural Resources should prepare a policy statement on its role in providing recreation services vis-à-vis the private sector." Is the ministry contemplating putting camping into private operation?

Also under the minister's jurisdiction is the treatment of native peoples in this province. Here again, the actions of the government have been deplorable. The ministry has consistently blocked efforts to close the English-Wabigoon river system to fishing, which has been demanded by the Whitedog and Grassy Narrows Indian bands again and again.

In the past, the native peoples have never received any meaningful consultation prior to development plans which would be implemented in their treaty areas and which would greatly affect their lives. We have had the example of the Reed Paper development proposal. Presently, we have the example regarding the proposed changes to the Wild Rice Harvesting Act with proposals to remove the exclusive harvesting right for the Indians. Will the minister table these proposed policy changes?

In the House the minister stated, and I quote: "I have had some private chats with the Treaty No. 3 chief on this matter. I went so far as to ask his advice on some proposed changes in the wild rice policy." Is it such a major step to ask for their advice on a matter that will greatly affect the lives of the Indian people? The proposed changes have been drawn up without prior consultation with the Indian people even though the harvesting of rice has always been restricted to the Indian people in the past.

[12:15]

A letter from the Ministry of Natural Resources to Chief Simon Fobister of the Grassy Narrows band regarding notification of a wild rice hearing states: "It is regrettable you were unable to attend the hearing due to the late receipt of the notice. As a new hearing cannot be held, I have attached the press report of the hearing. It gives a fair, comprehensive report on the proceedings." Is there any doubt why the government has lost the understanding and confidence of the native people?

The Ministry of Natural Resources has continually complained about the 90 per cent of unharvested rice in the Kenora area. This has been used as a defence mechanism to avoid assistance to Indians in expanding the rice harvesting operations. Crop yields vary annually, not because of the percentage harvested, but because of the frequent destruction of crops by water level fluctuations in northwestern Ontario. The annual harvest of wild rice has varied from less than 20,000 pounds to as high as 1.3 million pounds.

The Indian people should be consulted, encouraged, aided financially and given

whatever assistance and advice necessary to become successful business people in the harvest of wild rice. This is a possibility for self-reliance by the Grassy Narrows and Whitedog Indian bands.

Presently, the Ministry of Natural Resources is not enforcing the Wild Rice Harvesting Act. The Grassy Narrows Indian band has sued a white merchant for stealing the rice they had a licence to harvest from Separation and Fox Lakes north of Kenora. Evidently, the ministry had refused to enforce the licence. Will the minister comment on this case?

This government's efforts to help the native people are truly meaningless when we compare them to what other jurisdictions such as Manitoba have been able to achieve to aid Indian communities. In Manitoba, the government has negotiated a northlands agreement which involved \$8.5 million of provincial funds and \$12.8 million of federal funds over a 15-year period to aid the development of native communities. This compares with an effort of only \$213,000 in this province.

Mr. Minister and members of the committee, those are my comments.

Mr. Chairman: Thank you. At this time, gentlemen, we will hear from the NDP critic, Mr. Foulds, and then the minister will answer questions as they're asked.

Mr. Foulds: First of all, I'd like to congratulate sincerely the minister on the effort he's made in trying to get a grasp of the ministry since his appointment. It's a huge and complex ministry. I think he's one of the few people from southern Ontario who could do that.

Yes, from southern Ontario, Frank. Come on, come on. If you know your ministry, you know that.

Hon. F. S. Miller: I know what the licence plates cost where I live.

Mr. Haggerty: Ten dollars.

Mr. Foulds: But in all seriousness, he is one of the few people who could grasp the ministry. He showed in his previous portfolio he wasn't a minister who was going to take the advice of his officials without some evaluation of his own. He had a critical appreciation of that.

Hon. F. S. Miller: Thank you.

Mr. Foulds: It is important to look at this ministry politically as well as in its specific responsibilities. One of the interesting and vital things about the Ontario Conservatives in the last 34 years is that they have been able to attract personnel of some calibre and talent. They have often given the appearance

change and new directions by substituting people for policies. We need more than a few ministers, although that is very welcome indeed. We need some new policies. I'd like to comment on one or two immediately.

Even though forestry has a very close alliance to certain practices in agriculture, you certainly don't need the forestry division ranch or whatever it's called now under the new reorganization in the Ministry of Agriculture and Food.

I don't want to get into personalities, but God save us from Bill Newman. I don't think the two align naturally, in fact.

There are four major areas for which this ministry has responsibility. Although there's beginning to be a realization that we have to carve out some new directions in resource management policies, it is fair to say that in four areas the Conservative government has not managed our resources well in the last 34 years.

The present crisis we are facing in mining indicates we hadn't allowed for the kind of worldwide difficulties we're seeing. And we would at least cushion, if not isolate, ourselves from the effects of that if we project far enough into the future.

The policy, unfortunately, has been one of simple exploitation. The shipping out of resources. The lack of processing in the province and in the country. And with that a shipping out of jobs.

The one thing that has been maintained, and it's interesting that a Conservative government has done it in North America, is the rights to the minerals and timber have remained the property of the people of Ontario or the Crown. We, in effect, merely lease those things out.

But what we have done is alienated the wealth, and the benefit of that wealth, from the people of Ontario. We haven't used a large enough proportion of the wealth generated to build an economic infrastructure, particularly in the north, and to develop alternative industries, so that we could cushion the effects when resource industries are hit, the way they are at the present time.

My friend and colleague, the member for Sudbury East, will be entering the debate when we come to the specific vote on mining. I know the minister will look forward to that with eager anticipation and delight.

Hon. F. S. Miller: I want to be saved too.

Mr. Foulds: You wouldn't know how much he's moderated since he's been appointed assistant House leader. Yesterday he would have been thrown out of the House. He very responsibly did not push the Speaker to the ultimate limit.

I'd like to touch briefly on parks. It is all well and good to congratulate the ministry for developing specific master plans for specific provincial parks, such as the recent Quetico master plan that has been released. It is all well and good for the ministry to develop specific master plans, even though they may not be effective, at the present stage, for Lake Superior or Algonquin Park. What we really need is a master plan for parks for the whole province.

We need that so we will know where we're going with recreational land—so we can anticipate how much we need for wilderness, for campgrounds, for all the different kinds of recreation that takes place within parks.

We need a provincial parks master plan so we can get out of the hot-spot kind of parks planning we've been doing in the last decade—the hot-spot planning over Quetico, over Algonquin, over every crisis that seems to face us. If we develop that we could in the future avoid the kind of confrontations that are becoming apparent because of the Atikaka proposals—I use that only as an illustration. We get, almost immediately, into a confrontation between resource exploitation and recreation and if we had that kind of provincial master plan, we wouldn't get into that confrontation every time a specific issue came up. If we had that kind of master plan, and it was well known and disseminated throughout the province, we wouldn't have the Treasurer (Mr. McKeough) going around the province using parkland statistics in what could only be perceived as a mischievous and somewhat damaging way.

We need that kind of master plan to see whether it is worth putting the kind of money we are into, for example, Komoka Park, near the London area. While the idea may have been sound in the first place, one of the dangers and the difficulties we got into is because I think we were looking at it as an individual and specific undertaking. So I would like to repeat the main point I want to make—we need that kind of integrated plan for our parks throughout the province.

I want to touch very briefly on fish, fur and wildlife.

Mr. Chairman: Could the members kindly talk a little lower and show respect for the person who is speaking?

Mr. Foulds: I don't mind this underground murmur—

Mr. Chairman: I do.

Mr. Foulds: —this background noise. You should hear it in caucus, Mr. Chairman.

Mr. Reed: Undisciplined rebels.

Mr. Foulds: Speak for yourselves.

If what we are hearing from the biologists is even close to being true, the government and the ministry have mismanaged these living and renewable resources as badly as they have mismanaged our timber resources, and I believe that the imposition of fishing licences per se will not solve that problem.

For example, we are not assured that the revenue coming from fishing licences will automatically be put into management of that resource. The revenue we gained over the last 30-odd years on timber resources wasn't automatically put into timber management and resource management. We all know it goes into the consolidated revenue fund and the ministry then has to fight for its budget, so the imposition of fishing licences, if adopted as a policy, does not automatically ensure that there will be increased revenue for fish management, and we should be aware of that before we adopt such a policy.

What is becoming clear in the field of fisheries is that for years we have been exploiting the resource for sports fishing, for commercial fishing and so on. But as well as man's direct attack on that resource, there has been, unfortunately, the attack by the pollutants and that gets us into all kinds of difficult areas. We have to pay more attention to the process of breeding, hatching and so on. We just haven't been doing research in the area, or if we have been doing it, we haven't been making it public so the public knows the result.

You see, I have a great faith in the people out there in this province. I do not believe they want to destroy those resources in the environment. All I know is there may be an individual, whether it's a poacher or someone who shoots or fishes out of season, or even a company, who from time to time for a short term gain will damage the resource.

By and large I think the people out there want to survive and they know that the other species from lichens to moose have to survive, too, if humanity is to survive. The ministry must be far more open about what's happening and we must know well in advance what the state of those resources are.

I want to concentrate for the next few moments on timber, because **timber has been** the matter of greatest controversy over the last 18 months or so. I think it is apparent—and the minister will forgive us for visiting the sins of his predecessors upon him but he's in the hot seat now—that we have not managed those resources very well. The government policy over the last 30-odd years has not been designed to maintain our forests in perpetuity. The separation of logging from

regeneration, the granting of large licences, the allowance in the past of large clear cuts, have damaged our resources.

Flowers and Robinson, in "Proposed Policy for Controlling the Size of Clearcuts," in Northern Forest Regions of Ontario, pointed out, and I quote: "Clearcutting, as a commercial logging system, has been in use in the province since the earliest days of logging, but its main objective is to remove the marketable trees as economically as possible, not to promote regeneration or other forest values."

[12:30]

The Armson report said: "At present, largely as a result of historical reasons related to previous lack of inventory and the raising of capital by the entrepreneur, there is a legacy of very large licensed areas. These areas, perhaps justifiable under a regime of exploitation only, cannot be justified when forest management is both possible and feasible." And, I might add, necessary.

Perhaps the most scathing comments on timber availability come from the report of the timber revenue task force, October 1975: "The estimated maximum productivity of Ontario's forests, if intensively managed using existing techniques, is an annual yield of 20 million cunits of wood. Current government activity in this field is adequate for the maintenance of an annual yield of only 5.5 million cunits. While this is barely adequate for current levels, an annual harvest of between eight and nine million cunits of wood is anticipated by 1980.

"Given the continuance of the current level of regeneration, there is a distinct potential for timber shortages in the 1980s.

"Any extended period of heavy cutting without significant regeneration would have a serious impact on the long-term yield of merchantable timberland. If such circumstances are to be avoided, an intensification of forest management activity will be required in the near future."

In Ontario we now effectively treat about one-third of the areas we log over. We hope one-third will regenerate naturally, and one-third essentially is being written off. There are real reasons to be concerned about the quality of naturally regenerating areas.

Armson pointed out that "only 130,000 acres of the cut-over area will regenerate naturally to a reasonably satisfactory level, although the per-acre volume in species composition may not be as desirable as in the present forests. This area is expected to produce a volume of 1.3 million cunits available for the long-range annual harvest. The

great danger given the present cutting pattern in the province, is that there may not be sufficient concentrations at any given location to permit the sustention of a viable industry.

"It should be obvious, even to the uninformed, that we cannot afford to leave nature to its own devices on most sites in our boreal forests and on our productive forest lands.

"In 1974 it cost us \$8.8 million to regenerate 136,000 acres. It is estimated that the demand for wood fibre by the year 2020 will be in the neighbourhood of 12 million units, which will require an expenditure in excess of \$30 million in silviculture alone."

Even more alarming has been the present method of artificial regeneration, i.e. planting. It is not doing very well. In a ministry report entitled, "Survival and Growth of Tree Plantations on Crown Lands in Ontario, 1974," the results of a regeneration survey five years after planting show the following:

In four northern districts, six per cent of nursery stock black spruce were classified by height as good; 27 per cent, fair; 31 per cent, poor. Failure was an astounding 50 per cent!

In three northern districts, dealing with tubed seedlings, three per cent of black spruce were fair, 31 per cent were poor, none were good, and failure was an astronomical 66 per cent.

Now, as I understand that, even in the one-third of the areas we do regenerate, reforest, or try to treat, we have a failure rate as high as 66 per cent in tubed seedlings of black spruce, and a failure rate as high as 50 per cent in nursery stock black spruce. That shows that our reforestation and regeneration program has been going down the road to disaster.

I found the minister's statement this morning a little disturbing, because he talked just about the increase in the budget. Throwing money into the program alone is not good enough. I think one of the important things that has led to the failures of the past has been the smallness of the Ministry of Natural Resources' field staff. That has been the most serious barrier to affect the forest management.

For example, in the United States the number of foresters employed is equivalent to one per 20,000 acres of forest land. In the world, the ratio was one forester per 30,000 acres of forest land. In Ontario it is one forester for each 100,000 acres of forest land. How can you expect the forests to be managed properly with that ratio? It's an impossible job.

Without an adequate force of professional

foresters and forest technicians, regardless of the funding that we provide, effective sustained yield will not be attained.

Mr. Wildman: There are areas they never get into.

Mr. Foulds: Therefore, a major portion of that budget must be devoted to increasing the number of unit foresters working in the field to ensure that the management plans of the ministry are enforced.

What do we get from this government? We got two for one in the Bramalea charter. Mr. Minister, you know, and your ministry knows that that is not silviculturally sound, and yet you allowed your Premier to make such a nonsensical statement. The Premier's aside that I heard on the radio was: "Mr. Minister, you sure have your work cut out for you."

You sure do. You had better get yourself a pair of tennis shoes, a peaked cap and a gravel voice like George Burns and pretend that you're the main character in the current movie, "Oh, God" if you expect to meet that commitment by the program.

Hon. F. S. Miller: God will get after me.

Mr. Foulds: You're going to have to create the seedlings single-handedly out of nothing—

Mr. Wildman: George Burns is a comic.

Mr. Foulds: —because you don't have the seedlings, you don't have the nursery spot to meet that program.

Mr. Wildman: That's what God does.

Mr. Foulds: We can get into some detailed discussion of the various types of reforestation and the results that we expect from them during the actual vote—for example, the effectiveness of aerial seeding. But that does strike me a bit like the "cast your bread upon the waters and it will come back a thousandfold" theory and the trouble is—

Hon. F. S. Miller: A thousand Foulds?

Mr. Foulds: Don't you know your biblical quotations?

Hon. F. S. Miller: You had me shaken up for a second.

Mr. Foulds: And that's only the 1,733rd time there's been a pun on my name.

Hon. F. S. Miller: You've helped it along.

Mr. Foulds: It is the 17th century spelling of the same word, just for your information.

The trouble is that when you cast your cones upon the waters and the pre-Cambrian rock of northern Ontario, it ain't going to come back a thousandfold for you. You'd better be knowledgeable and aware of that.

What we need and what we deserve from the ministry is a comprehensive plan, even

if you don't meet the two for one promise. I think you should admit publicly you can't, that you should not try to; you should repudiate that.

We need a number of new unit foresters, and I'd like to know specifically how many new unit foresters are going to be working in the forests of Ontario in the next five years. We need them so they can develop management plans for the individual limits they are responsible for supervising.

Also we need, once again, a comprehensive management plan for the province. Management plans have to be designed, as they have not been designed in the past—before the cutting begins. We need to do the inventories and the soil tests before the cutting begins so we know what our chances of reforestation and regeneration are.

And we need to develop new and improved planting techniques. I give the previous speaker his due. We do need to adopt some of the attitudes of farming towards trees and forestry. We have to consider weeding out at certain levels of growth, because when all is said and done, what is important is not what's planted, but what grows and what survives so it can be harvested and used on a constant, reasonable cycle.

I find it very disturbing that when one critically examines the ministry's policies with regard to reforestation, that person is categorized or labelled.

I find it disturbing that the ministry has been so defensive about its forestry policies, and I find it disturbing that a number of professional foresters who have spoken out in the last couple of years have been damned and smeared. I find it disturbing that some of the faculty, for example, at Lakehead University who are outspoken proponents of reforestation have been critically neglected and categorized by ministry staff.

I would now like to explain why we in our party feel it is extremely important that the resources be maintained. We don't maintain them merely to maintain them. We have to maintain them for the people of the province and for the economy of the province. I think it was indicative last spring that the willingness of the government to give away our last remaining first growth forest in the Reed deal, to grasp at any form of development for development's sake without regard to long-term social, culture and economic impacts, is systematic of the lack of planning that has for so long characterized development in northern Ontario.

In the absence of an economic policy for the north, the government had put itself in the position of having to accept any project

or proposal that came along on the pretext of creating jobs, because something is better than nothing. However, isolated and piecemeal development has never been and will never be a satisfactory answer for the north. Such unco-ordinated development, planned in isolation from those affected, can only lead to the kind of confrontation and resistance between anti-development and pro-development factions that in fact gave birth to the Hart commission on that topic.

We in this party start by rejecting two extremes.

We reject the idea that development for development's sake is a good thing; that the north must and should accept any development offers it gets; that resources must be exploited, exported, and the resource areas then abandoned. In other words, we reject the automatic growth for growth's sake syndrome.

On the other hand, we also reject that the state of "nature red in tooth and claw" is sacrosanct, not be tampered with, and that not a twig or mineral or trickle of water should be violated to improve man's condition. The resources of the north belong to the people of Ontario and must be developed and maximized, not to ensure necessarily and exclusively the profitability of the resource industries, but to ensure that the benefits of development are maximized for the people of Ontario, and especially for the people of northern Ontario.

The resources of the north must be used to ensure that the wealth flowing from any resource exploitation remains to the benefit of the people of Ontario, and to do that the province must capture all surplus profits generated by that exploitation.

The recent crisis in Sudbury demonstrates the folly of allowing surplus profits to be removed from the province and, indeed, from the country. Both Inco and Falconbridge have earned most of their equity in the ores of Sudbury, only to invest it in development in other countries, developments which can only undermine the position of the Sudbury basin. In the meantime, Sudbury remains under-serviced, polluted, demoralized and, to no small extent in December 1977, unemployed.

A portion of the funds generated from wealth such as that needs to be used to promote the diversification of the regional economy. The history of northern communities like Blind River, Geraldton and Sudbury demonstrates the dangers of dependence on single resources.

[12:45]

Single-resource communities are vulnerable on two fronts. First, they are vulnerable to the wild fluctuations of world resource marketing. The ores of Sudbury, for example, are far from being depleted, but both Inco and Falconbridge have decided to curtail production there as a result of the overall world nickel situation.

Second, single-resource communities are vulnerable to the erosion of their economic base as their resources dwindle. The eventual depletion of a resource is inevitable in the case of non-renewable resources. The day a mine opens, no matter how long we project it will last, is in fact the first day in the death of the community built to support it.

Renewable resources need not meet the same fate, but through poor management, as the history of towns like Blind River sadly demonstrates, they too become victims of resource depletion.

Secondary industry based on our natural resources can be developed to broaden the economic base of northern Ontario so the economies may be stable and withstand the wild fluctuations of world resource markets and the boom and bust cycles of single-resource towns. Examples of possible secondary industries are numerous. They include the manufacture of fur and leather products, tanning machinery, furniture, skis, toboggans, thread spools, the cores that we wrap the paper on in the mills, the pulp residue base products such as coal oil, turpentine, acids, resin, liquid sulphonates, sugar and minerals.

Secondary economic development must be dispersed throughout the one-industry resource-based towns and communities rather than concentrating on the already existing larger service centres in the north and concentrating in the south.

The statistics of 1969, when six out of 10 of the jobs either directly or indirectly related to the woods industry were in southern Ontario, I believe still hold true and that is not satisfactory.

Renewable resources must be managed on a sustained yield basis. The resource is too valuable to Ontario as a whole and to the people of the north to allow it to go down the drain through sheer negligence.

I think we have to look at alternatives to the large-scale multinational based resource developments which have characterized the north in the past. If we concentrate only on large-scale developments such as the Reed proposal, or such as Inco's operations in Sudbury, that only increases the dependency and increases the vulnerability of communities to forces admittedly beyond our control. For

example, any large-scale logging operation automatically precludes increased trapping in the designated area. I think that more and more we have to look at a wider variety of small-scale developments.

The disadvantage of large-scale enterprises for local communities is amply demonstrated by this quotation from the report of the timber revenue task force, 1975: "The degree of integration and concentration present at almost all levels of Ontario's forest-based industry has led to the exercise of a degree of oligopoly-power as witnessed by the current price strategy of pulp and paper producers. Rather than reduce prices in the face of current market downturn Ontario pulp and paper producers have turned to temporary shut-downs and operational cutbacks to soften financial pressures."

And just the other day we got in the House from the minister the current popular concept that there is a softness in the international pulp and paper markets. And lo and behold, I discover buried on page B5 of the November 25 business section of the Globe and Mail this article, "Output of Newsprint, Shipments Set Records."

"Canadian newsprint production and shipments, and US newsprint consumption all set monthly records in October, according to the Canadian Pulp and Paper Association.

"Consumption of 956,000 tons of newsprint by the US publishing industry forced publishers to dip into inventories, which were reduced by 25,000 tons. The CPPA estimates that publishers now have a 40-day supply of newsprint on hand compared with a 47-day supply a year ago.

"The United States is Canada's largest newsprint customer and traditionally buys about two-thirds of Canadian production. In October, US purchases accounted for 70 per cent of production as Canadian mills operated at 97 per cent of capacity.

"Their October production of 840,000 tons bettered the previous high set in October 1976 by 2,400 tons. For the first 10 months of 1977, production was ahead of last year by one per cent.

"Shipments in October totalled 856,000 tons, up 5.2 per cent from the previous year. For the 10-month period, total shipments are ahead of last year by 3.2 per cent.

"Analysts do not see the increase as a temporary aberration."

That is kind of interesting in terms of the current advertising we see in the papers. I can read the whole thing but I won't take the time this morning.

What I think we need to find out and what is ministry's responsibility to find out is what

is really going on in the international market. I think to do that this ministry has to be perhaps the key ministry in co-operating between TEIGA and the Ministry of Industry and Tourism. All three ministries are important in the development of natural resources and their proper use for the people of Ontario. They can't continue the ad hoc, piecemeal development we have had over the last number of years.

Mr. Chairman, I believe the resources and the situation are salvageable. I believe the economic situation is salvageable. We need to do it, and we need not do it by causing unemployment. We can't do it, however, by sleight-of-hand. We can't do it by hiding the situation. We have to face up to our past

foolishness and our past mismanagement of resources and we have to reverse the present trends. We've got to plan for a reasonably steady growth. Most of all, we've got to realize our potential, particularly in the north for diversification.

Mr. Chairman: I was wondering if the committee would like the minister to reply. You have about seven or eight minutes to go. Would you like the minister to speak for the seven or eight minutes, or do you wish to have it start on Monday evening at 8 o'clock? It is entirely up to the committee.

Hon. F. S. Miller: I would prefer to make a coherent response rather than a broken one.

The committee adjourned at 12:52 p.m.

CONTENTS

Friday, December 9, 1977

Opening statements: Mr. F. S. Miller, Mr. Haggerty, Mr. Foulds	R-1128
Adjournment	R-1142

SPEAKERS IN THIS ISSUE

Foulds, J. F. (Port Arthur NDP)

Haggerty, R. (Erie L)

Havrot, E.; Chairman (Timiskaming PC)

Miller, Hon. F. S.; Minister of Natural Resources (Muskoka PC)

Reed, J. (Halton-Burlington L)

Wildman, B. (Algoma NDP)

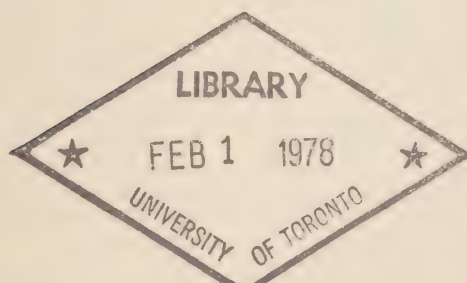


Legislature of Ontario Debates

Official Report (Hansard) Daily Edition

Resources Development Committee

Estimates, Ministry of Natural Resources



First Session, 31st Parliament

Monday, December 12, 1977

Speaker: Honourable John E. Stokes

Clerk: Roderick Lewis, QC

CONTENTS

A list of the speakers taking part in the debates in this issue of Hansard appears, in alphabetical order, at the back of this issue.

Daily contents of proceedings also appears at the back of this issue. Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff. Phone 965-2159.

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LEGISLATURE OF ONTARIO

MONDAY, DECEMBER 12, 1977

The committee met at 8.05 p.m.

ESTIMATES, MINISTRY OF NATURAL RESOURCES

(continued)

Mr. Chairman: The minister will give his replies to the two critics.

Hon. F. S. Miller: Thank you, Mr. Chairman. I will give my reply to the one critic present and the one critic who delivered a message the other day. I guess government being the art of "governments govern and opponents oppose," it's fair enough that each critic in turn saw fit to tell us some of the things we did wrong; but I think I have to say in all honesty that the criticism was fair and, I thought, either based upon his interpretation of facts or his own ideologies, both of which I think are good enough reasons to criticize. It doesn't mean I agree with the criticisms, but at least it sets a good tone for the kind of debate we will have. I know you would rather get into specific items, so I don't think I will be too long responding.

The Liberal critic talked about our regeneration policy, as did the NDP critic. Let me put it this way: If in fact forest regeneration in Ontario were 100 per cent effective, I think I would be the happiest person around. I will be the first to admit that it is not. On the other hand I would like to point out I don't think it's the disaster that is implied.

In fact I think we do a very good job in Ontario. One must relate it to the time it began, with a sense of design, to the present. The Ontario government started, I think in 1962, to assume the responsibility for regeneration, and with one or two pauses, I think the program has been improving ever since.

We have to admit that a great deal still remains to be learned. No matter what government is in power, we still have to know more about the art or science—I am not sure which name I want to use yet—of forestry; I suspect it's a mixture of both. Certainly when we talk about our successes, with say the black spruce, you can quite properly choose the weakest area of the program, because that's the kind of regeneration we know the least about, the kind we have had the least success with.

I am not sure the figure of six per cent that the member for Port Arthur (Mr. Foulds) gave was necessarily right, but one has to realize that one plants a great many trees to have a few survive to maturity, so it's quite possible that six per cent is the number reaching maturity.

I have figures that would show me something in the range of 50 to 51 per cent of the land is considered to be adequately regenerated in spruce. My staff will be able to answer more specifically as to how it assesses adequate regeneration later, I am sure, should you wish to ask. The key thing is one plants many in order to get the number one needs at maturity.

I only want to say this. I have inherited a program that is quite good, that can be made better, and I hope when I leave the ministry—whenever that may be, be it many years or be it in a short time—that we can honestly say during that period of time we improved upon the efforts to regenerate the forest and to reach the target of 12 million cunits a year that we talk about. I think we should all work at it. I think I will always accept the kind of criticism that helps us improve it; it's as simple as that. We should all work towards improving the overall effectiveness.

The Liberal critic did talk about DREE and projects in the north. One or two days before his talk on Friday the federal government and the Ontario government met to discuss some DREE applications in Ontario that would apply to forestry. I think the thing Ontario stressed there was that while Ontario in total is a "have" province, when one looks at the application of DREE funds across Canada, Ontario hasn't done very well.

One has to look at the northern parts of Ontario and the eastern parts of Ontario and realize their problems are as acute as the problems of the "have not" provinces. So, when we talk to DREE officials, we stress: "Don't take all of Ontario, take those parts that have problems similar to the other parts of Canada which you have seen fit to help before, and help Ontario in re-establishing industries in those areas, whether they be resource-based or whether they be any other kind that would qualify for DREE assistance."

We felt we made some progress in that meeting. We sketched out and made a number of proposals for federal assistance which I think—I hope, at least—will receive approval by the federal government before too long.

Mr. Foulds: May I just interrupt for a second? You just held that meeting last week?

Hon. F. S. Miller: Yes. Mr. Lessard was down here. I think it was on Wednesday morning; yes, Wednesday morning at 8 o'clock.

Mr. Foulds: So that's still very tentative?

Hon. F. S. Miller: Ontario, through the three ministers present, presented a proposal on a number of fronts, a number of different ministries; but mine, certainly, I suppose has more dollars involved in it than any other single proposal. We were stressing roads for resources and so on in our presentation.

The Liberal critic also talked about the need to give incentives to the pulp and paper companies, the large operators, to get into the business. Back in May, at the height of the election, we did state that we were accepting the basic proposals of Professor Ken Armson. I am sure you are aware of that. Those proposals would return the responsibility for regeneration, as well as the current responsibility for harvesting, to certain companies; not necessarily all but certainly to the larger licence holders in the province.

In the west, in certain other provinces, this kind of co-operation has been going on for many years. It is interesting when you talk to the people in B.C. who are in the forest products industry, and I did that a couple of weeks ago by visiting them. I learned they were very worried about assuming that responsibility when the government thrust it upon them, but now they'd have it no other way. They really do agree that better forest management results when government, in effect, perhaps runs the nurseries, perhaps runs the seed preparation and perhaps sets the standards, but when industry performs the task.

Industry's allowable cut depends upon the effectiveness with which it performs the task, so that for example a company which increases its rate of regeneration and meets government standards doesn't have to wait till those trees mature before it can cut more; it gets an immediate reward by being allowed to cut two or three per cent or five per cent, whatever the foresters from the government side assume can be done safely because of shorter cycles. There is a carrot

for industry as well as a stick. That is something we are well along the road towards implementing in Ontario. As you know, Jim Lockwood of our ministry has been doing that kind of work since about mid-May.

[8:15]

I quite agree with the NDP critic that I would hate to see my ministry's silvicultural operations put under the Ministry of Agriculture and Food. I think even the Minister of Agriculture and Food (Mr. W. Newman) would hate to see them put under him. But I do agree with his comments that they share a lot of common principles. Just as genetic research has worked in the fields of Ontario for corn and other crops, so genetic research will work in the forests of Ontario. I meant to bring over for you to look at, and I will before we are through with the estimates, the samples we have of hybrid trees. I think they are exciting.

We are long past the tiny plot stage. We are getting to where we have 1,000 acres already planted in hybrids in eastern Ontario, and have had for some time. We can show you trees—the ones I have a sample of—about seven to eight inches in diameter at breast height and 48 feet tall at five years of age. That's a hybrid poplar in that case. The tree I have a sample of came from one of the Huronia nurseries at Midhurst.

Mr. G. I. Miller: Where are the 1,000 acres planted?

Hon. F. S. Miller: Mostly down in the eastern part of Ontario in Prescott and Russell in the general area of Kemptville, which is where we have our regional office. It's the type of land which is hard to farm. The member for Frontenac-Addington (Mr. McEwen) would agree there is some marginal farm land down there. Some of it has been bought by ARDA over the years to take it out of farming, and this interim use would appear to be a very good one.

The Liberal critic talked about mining. I can safely say that we currently have very serious problems in mining. One shouldn't get too depressed, although one must be very concerned about the present problems. The cycles in mining have swung with some kind of rhythm for many years. There is every evidence that this cycle is deeper than most. Interestingly enough, it may have been deepened by the very fact that some societies in this world, some countries, have given up the free market approach and have tried to manage their economies.

The very attempt to manage the economies and this is where perhaps the NDP critic and I would disagree ideologically—and to keep people working when in fact, the market disappears, aggravates the problem more and more until the market gets into a very severe slump, as we have seen occur now. This is the case, whether it be pulp and paper—because they have done the same thing with pulp in the Scandinavian countries—or whether it be nickel dumped on the world markets by Cuba or by Russia as earners of hard currency in a very intermittent way; whether it be mines in countries like Chile producing copper or crude. Profitability doesn't matter in the short run. As long as they can get international bank financing they keep on pumping out the stuff because they are earning cash, which lets them buy things their country can't make. It is an entirely different approach which I think only now some of those countries are beginning to realize can't be sustained forever.

Let's recognize—and I think all sides did recognize this in their comments—the tremendous importance of our basic resource industries. There has been a tendency in the glamour days to underrate the foundation of the Ontario economy and to say everything should have become centralized on manufacturing, when in fact the resource industries were what started us and are probably what are going to sustain us.

Parks were touched upon by both critics. We are preparing an overall parks policy, as I am sure you know. You each said we needed it; we accepted that statement, and this is a long way towards creation. How soon I am not able to say, because I feel I need to be able to embrace our definitions and our policies for parks before we send them out as fact. The member for Erie (Mr. Haggerty) talked about the 95 per cent of Lake Superior park that was under licence. I think the figure is probably correct; but the Lake Superior Park master plan cuts it to 49 per cent, which is a dramatic reduction in the available land for cutting purposes. My own advisory committee says none of it should be permitted, and it cites both Lake Superior Park and Algonquin Park as anomalies in an otherwise controlled park system.

I am not able to accept that yet. I think multiple land use in Ontario is important. When one talks to the unions of Kenora, as I did last week, their basic interest is in making sure there is enough land to grow trees to make sure they, and their kids, have jobs in the future. They see parks as a threat to them.

I hope that parklands are not threats. We must carefully choose parklands or carefully define parks. For some people the use of a park for any extractive purpose is a crime; for others it is not. In fact, in many cases it in no way prevents the average park user from enjoying the average park. So I am being very cautious in my approach to the definition of a park.

I really don't want to have parks by other names. I'd rather have kinds of parks than parks by other names to get around the use of a word. This is where we have to look at all our needs; our need for recreation, and of course the need for employment.

As I have often said, the idealism of many people disappears the moment they don't have a job.

On native people: Last week I met with the Hon. Hugh Faulkner to discuss certain of the responsibilities of his government and our government to Indians. We both admit that because of the overlapping jurisdictions this is not the easiest field to define or to straighten out. We have Treaty Indians, non-Treaty Indians, we have Metis; we have those who live on the reserve and those who live off the reserve. We have overlapping and conflicting treaties. We have Indians saying treaty rights cannot be removed by subsequent legislation, and so on. I think we are going through a period when we have to have a great deal of sympathy for the native peoples; but we have to point out that the resources of the province of Ontario are managed by the government of Ontario, in the interests of the people of Ontario, and those people include Indians.

Indians must, under certain circumstances, be given special consideration for their special problems; no argument there. Where treaty rights are held to apply, we have a responsibility to abide by them. But to say the government of Canada cannot overrule a treaty by statute is like saying it can't change, by statute, any other law that was made at some time.

I think the courts have held that federal statutes overrule the treaties, but that provincial statutes don't. I try to take a frank approach and talk to the chiefs. It seems to work in private, but I'm not so sure it works in public. At the present moment they're taking the stance that they won't negotiate with anything but elected people, and that's making life very difficult for my staff. If they want to discuss the fishing on Shoal Lake and Lake of the Woods, the minister isn't the most competent person—I think even some of you would agree with that—to discuss the matter with. My staff are: and refusing to meet with

my staff because they aren't elected people is really no use. There is no use in refusing to answer our calls when in fact we're trying to solve a mutual problem. That's all we're saying. I am available, as my colleagues are, and I'm sure you gentlemen are.

Mr. Haggerty: Maybe they know that the final decision will be made by the person who is elected.

Hon. F. S. Miller: Oh sure; but I'm certain you gentlemen very often deal with the staff of ministries to get things done, and quite successfully. You know that if you phone the assistant deputy minister, or the director, or the district manager, or one of my ministry staff, you can talk about a problem and more often solve it faster than you ever will by calling me and saying, "Find out what's happening."

You experienced fellows usually do that when everything else has failed don't you?

Mr. Reed: But it's a different game of cards.

Hon. F. S. Miller: Well yes.

Mr. Reed: And you know it, too.

Hon. F. S. Miller: We're looking at our rice policies. They were talked about a lot. I don't know how much rice there is there. The Indians have claimed our estimation of 20 million pounds is high. If it's 10 million pounds—if we're out by 100 per cent—in round figures, 10 per cent is being harvested.

This year it brought record prices across the northwest, upward of \$1.60 a pound or thereabouts.

Mr. Haggerty: This is to the native people?

Hon. F. S. Miller: To the native people.

Mr. Haggerty: What's it sold for on the market though?

Hon. F. S. Miller: About \$6 this year.

Mr. Haggerty: I thought it was higher than that.

Hon. F. S. Miller: It is \$6 and \$7 they tell me. I think \$1 a pound was a figure I heard at the start of the year as the likely raw price. But like every other commodity it goes through a lot of processes before it is ready for sale—handling, shipping, bagging and so on.

I think on most manufactured products there is a ratio of somewhere between three and four to one between shipping door cost and retail price. When I worked for a brush company, if it cost us 30 cents to make a brush it retailed for about \$1, because it went through three steps—a distributor, a jobber, the retailer. Each one had certain costs basic to their kind of industry.

You mentioned a case in which we would not prosecute white people who were taking

rice on Whitedog. That's before the court so I assume a decision will be made. We were called when the Indians complained that a white man was harvesting their rice with mechanical harvester. Our staff couldn't get out there fast enough, so they asked the OPI who were close to the scene and had informed us of the complaint, to go and check right away. According to the information was given, the people found to be using a white man's mechanical harvester were two Indians from the reserve working on their own licence. Only time will tell whether that stands up in court.

Mr. Haggerty: I thought it was the other way around with the licences.

Hon. F. S. Miller: The information says "Subsequent investigation revealed two members of the Grassy Narrows band who were registered harvesters on the band wild rice permit were operating a machine they had acquired from Mr. J. Toth of Kenora. No charges were laid against these men"—the Indians—"because the people involved were authorized, and the Wild Rice Act does not prohibit the use of mechanical harvesting equipment."

Far from it. If one looks into the problem of getting Indians to use mechanical picker or harvesters, it relates very much to their cultural background.

[8:30]

Mr. Haggerty: I think one of the difficulties is—licences are issued to a band, and that may be 200 or 300 persons. When you issue one to a white person, he gets just a much, more in fact, acres of land or rice.

Hon. F. S. Miller: I think if you went to that general area you'd find the white man not getting any.

Mr. Haggerty: But in comparison with the licences you issue to other persons, they have more acreage to cover than an individual in a band.

Hon. F. S. Miller: Let me say that I am very anxious to see the Indians profit from the harvesting of wild rice. If we can encourage them to effectively harvest the wild rice, either in stages, either by a combination of traditional means and modern means, or by anything else that works, we'll work as patiently and as steadily as we can to achieve that result.

But at the same time, I'm not prepared to see that resource wasted, any more than it would be prepared to see any other annually renewable resource wasted.

One of the myths that appears to be attached to this is that if you harvest it with

mechanical machines you don't leave enough seed for the next year.

Mr. Haggerty: Right.

Hon. F. S. Miller: This is not true. When make an unequivocal statement like that, I assume—

Mr. Haggerty: I hope you can back it up.

Hon. F. S. Miller: My staff tell me they can and I have to believe them.

Mr. Haggerty: I hear stories the other way.

Hon. F. S. Miller: We have a good long history of areas where these machines have been used.

Mr. Haggerty: Yes, but have you actually tried it out on a plantation where you've really gone into producing wild rice? As I understand it, there's an area in one of the United States—

Hon. F. S. Miller: Wisconsin, is it; or Minnesota?

Mr. Haggerty: Wisconsin got into a planned program of rice paddies and they found that the machines are not doing the job they should. The machines are taking it right off and there is no regeneration whatsoever.

Hon. F. S. Miller: Since I'm the last guy to be an expert on it, I'm not going to be—

Mr. Haggerty: I'm not an expert either.

Hon. F. S. Miller: When I asked that question months ago, before I visited the wild rice areas, I was assured that the natural dropping of seed did more than guarantee a sustained yield. However, I'm always prepared to keep an open mind on it.

Wild Lake was one topic that perhaps both Mr. Foulds and Mr. Haggerty mentioned, in connection with fishing licences I believe. I'm sure you're familiar with the evolution of the strategic plan for Ontario fisheries and the enthusiasm with which it's been received by the associations and groups of people interested in improving fishing in Ontario.

Only one of its four major recommendations was a user-pays principle. One of the major reasons for having a user-pays principle, was the recognition that in today's day and age getting extra funds for any ministry is well nigh impossible. While we don't earmark funds, it seemed reasonable to point out that if one could raise \$5 million to \$10 million, probably closer to \$10 million than \$5 million, one could reinvest that money in the fisheries. The fisheries are one of our resources most in need of that kind of investment.

Not so much in the north, where I think controls will be the answer, as in the south where the fisheries are depleted and have had

many changes in species. Your problems in Lake Nipissing are very real problems.

Mr. Bolan: I'll be asking you for specifics.

Hon. F. S. Miller: So we simply have to have a plan that allows for the differences in the problems and the species in the different parts of the province and that may control access. The assumption that we have enough fish for everyone who wants to fish is no longer true, particularly when one has commercial fishing as a major competitor.

It's interesting that the value of a pound of fish caught in sport fishing, depending upon the figures, is anywhere from 15 to 30 times as much as fish caught commercially. The fishermen, the commercial fishermen of Ontario, get about \$10 million for their catch directly. The catch sells for about \$20 million retail. The estimated value of the sports fisheries in Ontario is \$300 million; and the pounds caught in each case are roughly the same—I think in the range of an estimate of 35 million pounds of sport fish and an estimation of 40 million pounds of commercial fish, to give you some measure of the difference. Now I know one can argue that not all the commercial fish are quality fish or a similar species, but one can get a rough approximation of the figures from that.

Mr. Foulds: How do you arrive at that, the value for sports fishing?

Hon. F. S. Miller: Well, again that's a figure that's out of this strategic plan for Ontario fisheries based upon an analysis of the sale of tackle and accommodation in resorts and—

Mr. Foulds: The revenue generated.

Hon. F. S. Miller: Yes, the revenue generated by sports fisheries. You know we have a whole series of serious problems if the fisheries are to be restored. Apart from management, my staff have used the term that fish are integrators of water quality. In a sense they are, they say, the canaries of the water. These are the canaries they used to tell us about in the mines; in the same way the fish tell us a fair amount about the change in our water quality.

You were talking about the mining aspects close to the end of your comments. I suppose if we have any fundamental area of disagreement it comes to how one should own and operate the natural resource industries. I don't think I am going to convince you and I suspect you are not going to convince me that—

Mr. Foulds: I suspect that's probably true.

Hon. F. S. Miller: I often tell my staff one of the advantages I have in being an admitted Conservative capitalist is that I don't need

anybody to tell me why private enterprise can do it better, I just know it can.

Mr. Reed: You don't have any pre-ordained right to—

Mr. Foulds: So far I haven't had that demonstrated.

Hon. F. S. Miller: No, no; I agree that you fellows are riding on our coat tails.

I think one needs to look very carefully at the source of funds for some of the operations outside Canada. You know, I had somewhere here, and I guess I have lost it, a speech by the Steelworkers president in Thunder Bay back a month or two or three ago when he was talking about these very things. I don't know whether you saw the excerpts of that speech. It's Mr. Thompson of the Steelworkers is it?—and I just had a couple of excerpts on a blue piece of paper, but I suspect I have not—

Mr. Foulds: The president of which local?

Hon. F. S. Miller: I thought it was at a general meeting of the Steelworkers.

Mr. Foulds: Yes, but there isn't anybody by the name of Thompson—

Hon. F. S. Miller: Well okay. I had it and if I find it I will give you the exact name and quote, but the gist of it was the most important. Here it is coming up. My executive assistants realize I lose almost everything at least twice. My glasses; tonight my keys. It's R. J. Thompson, President of Local 6855, United Steelworkers at Thunder Bay, September 28.

Mr. Foulds: Local 6855 isn't in Ontario.

Hon. F. S. Miller: Okay.

Mr. Foulds: I don't think so. I think it's Manitoba.

Hon. F. S. Miller: It was an international conference.

Mr. Foulds: Yes, I know the conference.

Hon. F. S. Miller: Perhaps when he was speaking in Ontario, he was speaking with more frankness than he might have if he were home then.

Mr. Haggerty: It is interesting reading.

Hon. F. S. Miller: He says: "The multiplicity of federal and provincial policies in Canada regarding taxes, royalties and incentives have discouraged not only national but international investments. The big grab by both levels of government has apparently left too little for industry." I would say amen.

Mr. Haggerty: Martel must have read that the other day.

Hon. F. S. Miller: Yes. "Brothers, this is the general background of the harsh realities we must face today. The entire nickel indus-

try is staggering under the weight of its own enormous inventories. Production has been slashed and discounting is prevalent, but even with these measures there is no doubt considering the present economic situation in both Canada and the US, that it might take years before capital expenditure program begin to straighten out the over-supply stockpiles.

"Given these facts"—I am now skipping a bit—"particularly with reference to the Dominican Republic, do we have the right to condemn a corporation for developing resources in a poverty-stricken nation. I don't think so.

"If this country and its industries are not prepared to assist the development of these underprivileged countries, you may be sure the Iron Curtain countries will seize every opportunity to develop, and through development obtain political control."

Mr. Foulds: Sounds like the guy from West Virginia.

Hon. F. S. Miller: "The second matter with which you must be concerned is do you want the laws regarding offshore processing costs rigidly enforced? If you do, the consequences may be such that Falconbridge may not be able to survive. In this process you cannot be selective. If the law is enforced, not only 1,200 people in Norway will be out of work, but the Inco operations in the British Isles and Hunting in West Virginia, et cetera, are going to be"—

Mr. Foulds: Hunting West Virginia. There it is; that's the line.

Hon. F. S. Miller: I just throw those in because I think it's interesting.

We started a review of the mining tax with the Ontario Mining Association some two months ago. I suspect that Mr. Allister Gillespie has suddenly realized that there may be some advantage to him to show interest in it and he has suddenly teleaxed me to say that it would be a great idea if we did this kind of thing jointly. He has suggested a federal-provincial conference to do just that. I'm quite willing to look at anything.

As one major mining person said to me today: "You could cancel all the mining taxes today; it doesn't make any difference. The major job of the mining industry for the next short while is to survive; in the middle term it is to become liquid and in the long term it is to expand."

One has to realize we are facing a short-term problem right now and our attempts have to be directed at survival. Let those

companies become liquid—because they are not, the interest charges on some of these debts for the inventories are staggering at the present moment.

Mr. Haggerty: What are the minister's alternatives?

Hon. F. S. Miller: If I can't do something about a problem today—I'm not saying I can't—I have to assume there's a certain competence in those companies' ability to survive. I honestly believe the two major companies have the staying power to survive. They've done it before and I think they'll do it this time. We can become overly pessimistic at a time like this. It's serious, terribly serious, to individuals in particular—

Mr. Haggerty: Their inventories have been building up for the last 30 years.

Hon. F. S. Miller: All right; but bear in mind, though, that predictions said this would be a year when there would be a turn-around in the sales. The companies have done something which I believe the unions were aware of and which I believe the unions basically approved of, that was to try to average production across the cycle, so that you didn't have these tremendous attempts to meet demand when there was demand, by increasing productivity and then suddenly to drop down. Their basic plan was to strike a mean somewhere.

Inco in particular, I believe, took this approach. They stayed just about on for a while, they never really sold more than they made. That was the problem, because the markets did soften dramatically as time went on. It was only in about September that the trend became an unbearable trend.

I simply say this. I want people to have reasons for choosing Ontario as a place to invest in the long term. I want them to look at the total taxation here and the total costs of production and say, "We can trust this place and we will get as good a return on our investment here as anywhere." Tax dollars are only 16½ cents out of each mining dollar. That's all taxes—income taxes, unemployment and everything else.

Mr. Haggerty: The text of the statement you read from the union local is saying that the taxes on the mining sector are too high. In other words, don't let the government tax them any more, take that money and fund it into an underdeveloped country. They're saying we should let the free enterprise system do it. But by doing that there is a repercussion we have to deal with. For example, if you take Noranda mines, they opened a new mine in Tara, Ireland. By

doing that they own 33½ per cent of that mine over there; and the reason that they did it is because it is the largest zinc mine in Europe and they have got a pipeline into the common market; but doing so has reduced production back here in Canada.

[8:45]

Hon. F. S. Miller: This is true of every new mine in a depressed market. The only problem has been that certain mines haven't cut back as quickly as the market demands said they should. They flooded the market, they have not worried about breaking even on costs. That has been the story in particular of either socialized or under-developed countries.

Mr. Foulds: I always thought it was a fine principle of capitalism and free enterprise that when you over-produced or you had a lot, or there was a big supply and the demand was lower, you cut your prices.

Hon. F. S. Miller: What happened to nickel prices?

Mr. Foulds: What has happened to them?

Hon. F. S. Miller: What has happened to pulp prices? What was the price for pulp a year ago? Do you know? Somebody can tell me if I am right, but I hear the price of pulp was \$410 a ton. Did it get that high for pulp?

Mr. Haggerty: Somewhere around there.

Hon. F. S. Miller: I hear \$323 to \$330 is about right for pulp now, with some Scandinavian mills allegedly selling into markets for as low as \$200 a ton right now. Is this what you have been hearing? Allegedly selling in Japan first, and now allegedly selling in the US for prices like that because they didn't cut back on production when the market started to soften.

Mr. Foulds: But that is a capitalist response. What you are saying to me is that is not desirable. There seems to be a contradiction in what you are saying.

Hon. F. S. Miller: The capitalistic response is to stop loading your inventories before you are in a disastrous position whereas the socialist response is to maintain production regardless of sales; I think that is the basic difference.

Mr. Foulds: The socialist response is to create wealth.

Hon. F. S. Miller: And then say what the heck do we do with the stuff we made.

Mr. Chairman: If I may, I'd appreciate it very much if a few members here would hold their meeting somewhere else please. It is not fair. It makes the Chair look stupid and it makes the members look stupid. Let's have a little order, please.

Hon. F. S. Miller: I want to say the one thing I can't afford is to look more stupid.

I think you thought I had said something about depressed pulp and paper prices.

Mr. Foulds: No, that had been the story.

Hon. F. S. Miller: Newsprint I'm told is in good demand, but the pulp industry is the part that is way down.

Mr. Haggerty: I'd like to come back to the point I raised. When you see capital leave the country like it has here with Inco and other mining corporations, I think there has to be some protective level; a certain level production has to be maintained in Ontario or in Canada. You just can't take everything out of here and all of a sudden say we are going to go down to these underdeveloped countries to assist them.

Hon. F. S. Miller: Give us some time to see what happens in those other markets. I think we were faced with the fact—if I understand the Indonesia story—that the country decided its nickel would be developed. I am told, in that case, it had adequate hydro power very close to the site, an essential part of the process. There are what they call the lateritic ores, and I think they have a higher energy demand than our own particular ores do. It is my understanding that Inco has about 95 per cent of the shares right now.

Mr. Haggerty: No, I don't think they would have.

Hon. F. S. Miller: One can verify this. I think that is a statement that is accurate.

Mr. Haggerty: I think Japan has about ten or twelve per cent.

Hon. F. S. Miller: Japan I think has options to buy. I think you will find that five per cent lies in Japan now. But we won't argue whether it is five or 10 per cent for the time being. The fact remains that 95 per cent control was obtained with about one-third of the money at the very most. The other thing that one has to realize is that there was, in effect, a competition for the company to develop the mine. It wasn't a question would the mine be developed but which country would get it.

We tend to forget there are a lot of Canadians working in Indonesia right now developing a mine. We tend to forget Canada has the best technology in nickel production in the world, thank God. Therefore, we were probably chosen, not because we could raise dollars but because that country had more confidence in Canada and Inco's ability to run a mine as well as it could be run. On that kind of basis, recognizing that that mine was going to be competing, is it not better that

some elements of control and profitability be vested in Canada? That is all I can say.

Mr. Haggerty: There is no doubt there are some fringe benefits given to Canadian society. It is the same in the Dominican Republic. Acres, a large engineering firm from Niagara Falls, is down there. They have a huge engineering staff in that area. They are not only involved in mining but in other areas too, through the government. It is a CIDA program and they are assisting these countries. It has created work for a number of Canadian employees.

Hon. F. S. Miller: When everything was very good, all Canadians were talking about the responsibilities we had to the Third World. They were in the form of CIDA-type aid. They were in the form of export of high technology for nuclear plants to India.

Mr. Haggerty: Many of these loans are not given to them free, they are at low interest rates.

Hon. F. S. Miller: The only problem we face is when those countries may make decisions that they can't repay the loans, and that is what we are now faced with. Some of these countries have World Bank loans or credits that may be very hard to sustain. They may precipitate very real financial troubles for the banks that lend them the money in the future. Would you agree with that?

Mr. Reed: It is one of the reasons nickel prices went down like dominoes. Amax in Botswana precipitated the whole slide.

Hon. F. S. Miller: I don't know what Amax has been selling for, but it has been well under \$2 a pound hasn't it?

Mr. Haggerty: That plant has been in existence for quite a while in the southern part of the United States. They were getting their ore from Cuba.

Mr. Reed: This was in Africa.

Mr. Haggerty: I think there is one in Louisiana.

Hon. F. S. Miller: I am prepared to have you go through the estimates by vote and item or any other way you wish to handle it.

Mr. Chairman: Does any member of this committee wish to ask a question?

Mr. Reed: Mr. Chairman, do you plan on going through the votes an item at a time, for example vote 2402, items 1, 2, 3, 4 et cetera, or are we going to engage in a general discussion of the whole?

Mr. Chairman: I think we will go with them 1, 2, 3, 4, to give you the opportunity for questions, rather than pick one out of the

sy and go from 9 to 1. Are there any more questions by members of the committee?

Mr. McEwen: Yes, Mr. Chairman. I have three or four, but I'll cut it short. In reforestation, the ministry has indicated that for 1976-77 it had 244,000 acres that should be regenerated but only about 171,000 have been acted on. Yet you are telling us that you are doing a terrific job in reforestation.

Hon. F. S. Miller: No, I didn't say terrific; said better.

Mr. McEwen: I was just pointing out to you that it is falling behind and it has for some time.

Hon. F. S. Miller: Can I answer that one question for a second? My staff can give you the total numbers of acres, I don't have them in front of me, but I have the increase over the previous year, if that is any measure.

Mr. McEwen: From 1973 to 1976 you had 73,000 acres. In 1976-77 you had 397,266 acres of cut-over land, of which it works out that about 244,362 acres should have been treated. The figures show that only 171,543 were treated.

Hon. F. S. Miller: Our objective was 73,000 acres through regeneration for the year and 107,000 for tending, making 280,000 acres.

Mr. McEwen: You projected 244,362 acres and 171,000 were treated.

Hon. F. S. Miller: Perhaps one of the staff could answer that question specifically. The figures I have show that we were planning 80,000 in total, a total increase of 55,000 acres in round figures over the previous year, and that we planted about 11 million more trees. I think in total it was 61 million this year versus 50 million the year before.

Mr. McEwen: That's fine. Now in the hatcheries area—

Hon. F. S. Miller: Hatcheries?

Mr. McEwen: Yes; we'll leave the reforestation, I guess you admit that you're behind on that. Let's get to the fish hatcheries.

You've indicated in your reply there is a change and you're attempting to update the hatcheries to produce more fish and stock more lakes. But, Mr. Minister, it is my understanding that the Bath hatchery should have been opened quite some time ago. Is it true that the ministry—not you, sir, but the ministry officials—brought in a proposal that was much more expensive than had been proposed at the beginning, and for that reason the delay has taken place in putting the hatchery into operation?

The figures I have indicate that we hatch about 3,000,900 fish a year.

Hon. F. S. Miller: At Bath?

Mr. McEwen: No, all of them; but the Bath hatchery would produce four million more. It would produce more than all the other hatcheries put together.

What I want to ask you, Mr. Minister, is why is there a delay in using this facility?

Hon. F. S. Miller: Okay; the delay is a budgetary problem, in pure, simple English. I don't know what the current figure for the rebuilding of the Bath hatchery is, but I think a figure of \$20 million for capital is one I recall somebody saying.

Mr. McEwen: That was an exaggerated figure, I believe.

Hon. F. S. Miller: Let me go back—and again my deputy will correct me, I'm sure, if I'm wrong—but it seems to me that when Bath was originally designed it used water from a power plant, was it a thermo plant?

Dr. Reynolds: Oil-fired.

Hon. F. S. Miller: Oil-fired, okay. When they changed the design we had to change our design. We had a roughly \$20 million capital investment requirement to get the Bath hatchery going. I don't know what the operating costs per year are, but again I'm grasping at a number that I think I recall from some months ago. I think it's in the order of \$2 million more per year.

Dr. Reynolds: That's the bed order.

Hon. F. S. Miller: Yes, \$2 million to \$2.5 million more per year for that kind of thing. In any case, the real issue right now isn't the \$2.5 million, it's the \$20 million for the capital investment. Like many other government capital programs, when we applied restraints they were selectively chosen and that particular project was held. I'd be delighted to take the money.

Mr. McEwen: What I'm asking you, Mr. Minister, is why not eliminate the frills that are brought in by your ministry officials?

Hon. F. S. Miller: What frills?

Mr. McEwen: Viewing stations, et cetera. I think the figure was about \$8 million in the beginning. With all the frills it amounted to about \$20 million and that stopped the project.

Hon. F. S. Miller: Right now, I think if it were \$8 million or \$20 million it's not going to be that critical. I can't get \$8 million, let alone \$20 million.

Mr. McEwen: I'm surprised at that, because you're so smooth. I would think that you would get \$40 million if you wanted it.

Hon. F. S. Miller: I'm going to work on it.

Mr. McEwen: Let me go a little farther. You say it's not important.

Hon. F. S. Miller: I didn't say it was not important.

Mr. McEwen: A few minutes ago you just mentioned that on private business and fishing the tourists spend \$300 million here. But a survey was taken at the border asking the American tourists, "Why do you come to Ontario?" The majority, 70 per cent, said: "To fish." They were asked: "If you don't catch fish, will you come back?" Their answer was: "No."

Mr. Minister, that is exactly what the people are getting; no fish and they are not coming back. Again, I question why the Bath hatchery has been delayed?

[9:00]

Hon. F. S. Miller: Okay, my deputy would like to speak on it.

Mr. McEwen: Also, speaking about fishing, you allow the commercial fishing to take place close to shore and it eliminates the tourist operation there as well. It's a long, drawn-out affair I am sure, this fishing process, but is it true that your ministry is really not interested in stocking the lakes?

Hon. F. S. Miller: Not at all.

Mr. McEwen: It appears that way.

Hon. F. S. Miller: Not at all. I would say that with the resources we have available, the program has been good. I don't know which of the staff you would like to have give details on the program, but we can easily give them if you want them. The deputy, however, might throw some light on your comments.

Dr. Reynolds: Mr. Chairman, I was just going to make particular reference, perhaps, to explain why the estimates of costs have risen so dramatically.

Bath hatchery, when it was originally conceived, was worked out in a co-ordinated way with excellent co-operation from Ontario Hydro. We were going to use, as a supplement to the water supply, some of the effluent waters that were going to go through the Lennox Generating Station. At that time the Lennor Generating Station was expected to be a coal-fired operation. It was going to operate on the basis of oil brought in from Venezuela. It would have been an on-stream type of thing. In other words, it would have operated at a pretty high level of operation all the time.

Then the oil shortage arose and it was no longer feasible to expect that that large amount of oil necessary to operate that station would come in from Venezuela, because it was required for other matters, so the generating station had to be redesigned. It became

a peaking station rather than an on-line station, which meant, as far as we were concerned, that we could not count on a continuous availability of the slightly heated waters that we needed for that station. We would not know from day to day, and hardly from hour to hour, whether we would have access to that heated water or not. So we couldn't count on them and we had to redesign the station.

That has been the main factor in redesigning, and at a much higher cost, because we have to incorporate in this station heating devices to supplement the heat when it's not available from Ontario Hydro. So, in other words, we would have been getting a free ride on Ontario Hydro's slightly warmed effluent waters. Now we have to create our own heating. That has been the main factor in cost.

Mr. Reed: What about Douglas Point?

Dr. Reynolds: Douglas Point does not have an availability of suitable water. It has the heat but not the on-stream water that we require, such as is available down there. It's possible that we might in time redesign something which can be used there, but the whole Bath hatchery was designed around a water supply and a heating situation in that area adjacent to the Bay of Quinte.

Mr. Reed: What kind of water do you need?

Dr. Reynolds: You really have to adjust water. First of all, you have to have a relatively pollution-free water, and that's not available everywhere, but you really do have to be able to adjust water temperatures in order to get the optimum growth you need. If the water is too warm, the fish grow too rapidly, or perhaps they don't survive at all. If it's too cold, you get poor survival or slow growth and so on. It's a highly critical and highly scientific adjustment that has to be made.

In the incubators that we now have in hatcheries—and if you haven't seen these I'd like to suggest to you that they're well worth visiting and having explained—the whole science of hatcheries has moved on very rapidly in the last few years. Very sophisticated equipment maintains optimum growth conditions and survival for the eggs, the fry and so on, up through the sequence.

Obviously, you don't want the fish to be too large. They cost too much to maintain and to transport and survival is too difficult. Those factors can be adjusted very critically through the use of computers to get optimum size for various types of use, for best growth and for best return for the taxpayers' dollar.

It's a much more critical and much more scientific activity than most of us would appreciate. If you haven't visited a trout hatchery particularly, I would suggest that it's a very enlightening operation.

Mr. McEwen: How long have you been at this project?

Dr. Reynolds: I would think that 10 years might not be out of the way from its earliest time of conception. But it really has, as I have said, had a major setback in planning and in cost. I suppose you can go back and blame this on the Arabs. But that's the sort of thing that has been beyond control.

Mr. McEwen: No, I am not blaming the Arabs at all.

Dr. Reynolds: Well, I'm being facetious, of course, but that has been the sort of thing that has given us trouble with getting that one going. Then, of course, when we did have it redesigned and were ready to go, we had the great problem of having dollars to do it with.

Mr. McEwen: Okay. Mr. Minister, is your deputy saying that there wasn't any plan or change in the design plans by your ministry? Does your ministry know?

Hon. F. S. Miller: No, I just think he said the opposite.

Mr. McEwen: Other than the reasons you set out?

Hon. F. S. Miller: Well, yes.

Mr. McEwen: That's the only reason?

Dr. Reynolds: Well, I don't know, Mr. McEwen. "Only" seems to me to be—

Mr. McEwen: Did you overplan the thing? The costs were too high?

Dr. Reynolds: No.

Hon. F. S. Miller: I guess it depends on what you mean by "overplan." I think government in general takes more care in designing.

Mr. McEwen: When it's decided that here's going to be a hatchery—that's it, period. It's going to be a hatchery to a certain standard. Then the ministry updates it by providing viewing sections and entertainment and so on—then the costs increase. That's what I am saying. I'm asking the question. Is that right?

Hon. F. S. Miller: Let's go back for a second, though. We always talk about "frills." Yet let's look at the real potential to tourism that some of those frills offer.

Mr. McEwen: Right. It's the fish in the lake.

Hon. F. S. Miller: Our staff counted 120,000 visitors to one hatchery this year, I am told.

I don't care whether you like catching fish or looking at fish; it's a justifiable enterprise.

Mr. McEwen: Which comes first, the chicken or the egg? You get the hatchery, you get the fish and then you can look at them after. It's 10 years now and we haven't got a hatchery operator.

Hon. F. S. Miller: We have other hatcheries, you know.

Mr. McEwen: But how progressive are they? Can you tell me? How progressive is the one at Sharbot Lake?

Hon. F. S. Miller: I was in a hatchery this year. Was it the Orillia hatchery?

Mr. Foulds: On a point of order, I don't want to limit any member's right to debate but it does seem to me that such a detailed discussion of fish hatcheries should be more appropriately debated under vote 2403, item 2, fish and wildlife.

Mr. McEwen: Mr. Chairman, that's fine, I don't need to be reminded at all. I have these points to make.

Mr. Chairman: Excuse me, sir. Excuse me, please. I am glad Mr. Foulds mentioned that instead of the chairman. In all fairness, I don't mind anybody asking questions but if we go off the beam we'll be here until after Christmas. In all due respect, any member can ask all the questions he wants, but because I am the new chairman doesn't mean that I'm stupid. I don't want a debate here between the members just to get on Hansard. In all fairness, let's ask the questions and the answers be given.

Mr. Yakabuski: Right on, Mr. Chairman.

Mr. McEwen: All right. Can I answer you, sir?

Mr. Chairman: Because I have no axe to grind.

Mr. McEwen: Because I am new here, too, is no reason that I shouldn't look after the public's interest.

Mr. Chairman: That's very commendable, sir.

Mr. McEwen: And I intend to do exactly that, sir. Whether I do it here or in the House, it doesn't make any difference to me. But I'll still be here.

Mr. Chairman: But ask the question, please. Don't embarrass the Chair.

Mr. McEwen: I started out asking the question but it led into a debate. The minister asked the deputy to explain and I am very pleased about that. I am commenting upon the remarks made by the minister.

There's one other item here that I'd like to discuss briefly and I agree it can be

discussed later on with the financing where you estimate that you're asking for another \$22 million or 10.9 per cent. That's a great amount above the amount set out by the Treasurer (Mr. McKeough) who indicated that the increase would be from six to eight per cent this year. But we can discuss that a little later on, Mr. Chairman, if you wish to cut me off.

Mr. Chairman: I'm not cutting you off. Don't put that in the record. We're going into the estimate; you can ask that question then, sir, with all due respect. I think another member had to bring you to order, not me.

Mr. McEwen: Oh, I don't take that as bringing me to order. No way.

Mr. Reed: Mr. Chairman, I just have one question on the ministry administration and it's in connection with legal services.

Mr. Chairman: Mr. Reed, with all due respect, when we go into the estimates then you can ask that question. I think it's only fair.

Mr. Reed: Mr. Chairman, I will defer until we get into the estimates.

Mr. Chairman: There's plenty of time.

Mr. Foulds: I just have a main policy question that I'd like to ask the minister, partly as a result of his remarks on Friday and partly as things have occurred to me.

Could the minister indicate what funds and what staff have been transferred to the Ministry of Northern Affairs? You mentioned that in your opening statement, Mr. Minister.

Hon. F. S. Miller: I can't give you the actual figures but we can get them for you. Do you have them with you, Mr. Spry?

Mr. Spry: It's 52 or something like that.

Mr. Foulds: What was the main responsibility that seconded to Northern Affairs from Natural Resources?

Dr. Reynolds: All of our northern affairs branch.

Mr. Spry: The 24 offices, all the way across the north.

Mr. Foulds: Right. Could I ask you, Mr. Minister, or perhaps one of the ministerial officials, what is the working relationship that is now developing between Northern Affairs and your ministry? For example, it does seem to me that you probably run into some policy, either conflicts or complements, when you come to strategic land use planning and the Northern Affairs' responsibility for unorganized townships and unorganized communities. Could you give me an idea in terms of policy what your working relationship is? Can you use that

as an example to illustrate how you work out that relationship with Northern Affairs responsibilities?

Hon. F. S. Miller: First, as minister, haven't had any real conflicts with the other ministry at all yet. I think it's easy to assume that with a brand new ministry, one with one which doesn't follow an old mould at all—in effect, it's a priority setting ministry with other ministries doing its operating with minor exceptions—one could look for the kind of trouble you're talking about. Up to date we just haven't had it. I think there's been pretty close liaison and I think the fact they've chosen some of our staff and a good many of our staff were transferred with them had perhaps improved that.

Dr. Reynolds: And our ministry.

Hon. F. S. Miller: And the ministry, yes.

Mr. Foulds: That's what worries me.

Hon. F. S. Miller: It has improved the liaison. We can't say that there won't be potential areas of disagreement if the other ministry wants to put a road in one place and we want to do something else or we want a priority here or we want a priority there; but that's true of government in general and I don't foresee it as being any more than that. Whatever other comments the staff would like to make, I would welcome.

Dr. Reynolds: Mr. Chairman, I would just say that I think, contrary to some early anxieties that I guess all of us shared, our fears have not been justified. I think the working relationship is just excellent. One of our senior staff—a regional director, for example—has become one of the assistant deputy ministers. I think the working relationship has just been great. In effect, the Ministry of Northern Affairs helps us in a co-ordinative way to establish priorities. For example, we are much involved in road building for resource extraction. Once the priority is established, they may very well fund it and we would carry on the operations. In other words, they don't have a great deal in the way of operational responsibilities. That is carried on in the respective ministries—for us in regard to resources and resource extraction, and for the Ministry of Transportation and Communications in some of its activities. But I think the relationship has worked out extremely well and is working out well.

The Ministry of Northern Affairs is relatively small numerically. It holds the budget which many of us spend but in a co-ordinative

ated way and with mutual advice and consultative methods about which I have no criticism at all.

Mr. Foulds: I had no indication that there was any friction. The minister put that interpretation upon my question. What I'm really trying to determine is the obvious need that will occur between your ministry and Northern Affairs in defining responsibilities. You have begun to do that in a small way in terms of initial funding for roads and then operational costs. Are there others that bring revenue to mind?

For example—and I use this only as an example—in terms of possible fire protection in the north in unorganized communities. I know that there is a program within the Solicitor General's ministry. There are some initiatives that Northern Affairs has taken. Is it co-ordinating that with you, and is it now talking about possible expansion or possible use of some of your forest fire equipment for protection of unorganized townships?

[9:15]

Dr. Reynolds: For a while, you may recall, we had in the Ministry of Natural Resources some responsibilities on the initial funding of fighting structural fires and co-ordinating the response mechanisms, the communications and helping fund firefighting equipment. We talked quite a lot about the possibility of funding smoke detectors and that type of thing.

When the new ministry was created most of that responsibility went over to them and they took over from us the program and we worked this out; our own Bill Hendry who was deputy regional director at Thunder Bay directed that for us. He carried on doing it for a while until they had sufficient experience, if you like, or the resources. Now he is back working full time with us. Again, all of those are worked out in a co-operative scheme, and whoever can do it best does it. If it is something that we have staff in the field to do, there is no point in their setting up special staff to do it. I think we worked out all of those conflicts and efficiencies.

Mr. Foulds: I would like to move to your working relationship with TEIGA, in view of the minister's comments about the necessity to bolster the long-range prospect for the sake of the industry towns that rely on resources. Perhaps someone could just briefly capsule that working relationship and how you do that.

Hon. F. S. Miller: I suppose when the decisions and taxation are made; and I assume

that is what you are talking about with TEIGA.

Mr. Foulds: I would like to see it go further than that.

Hon. F. S. Miller: That is perhaps the first one to talk to because the raising of revenue is one of the Treasurer's main duties. I suppose the Ontario Mining Tax is nominally the Minister of Natural Resources, but traditionally the basic rates have been set by the Treasurer in budgetary moves such as the 1974 budget which established the current structure.

Mr. Foulds: Could I just interrupt here for a second—they do that in fact as well as in theory. They do that in consultation with you, presumably.

Hon. F. S. Miller: I don't know about 1974 because neither the present Treasurer nor I were in our positions. I can only say that in fact at the present time the consultation is very real. We have discussions going on with the Ontario Mining Association representing the companies. We have TEIGA present and we have the Ministry of Natural Resources present.

Mr. Foulds: Wouldn't it be a good idea to have the municipalities represented in those discussions?

Hon. F. S. Miller: We talk to municipalities. Is there an association of mining municipalities as such?

Mr. Foulds: No. The Federation of Northern Ontario Municipalities.

Hon. F. S. Miller: An association of municipalities came to see the Treasurer and I not too long ago to talk about their specific tax problems. Single industry resource communities or something of that nature, they called themselves. And they talked about that kind of problem. Theirs are slightly different; in some cases they are asking us to transfer funds to them from our revenues at a time when our revenues have shrunk, as they have this year, from \$140 million in 1974 to perhaps \$25 million this year; there's not a heck of a lot to share.

Mr. Foulds: Has your ministry or TEIGA given any thought to instituting—this isn't a good time to institute it but it might be a good time to start thinking about it—the kind of policy that the Alberta government has with regard to resource taxation, that is setting aside a portion of it to invest in the communities and in the areas to diversify the industry?

Hon. F. S. Miller: I think Alberta has a very pleasant problem at the present time. Too much money is their major problem.

One has to look below the surface and realize, at least in the field I last was responsible for, health care, Alberta has the highest per capita expenditures of any province in Canada. That was probably true of Ontario in the 1960s when we were the province with the most vibrant economy. Alberta has probably taken over that role in the sense that it has had unexpected wealth in the last while in a couple of areas through a combination of federal pricing policies and taxation.

They are saying, and quite wisely so, that their present largesse may not last for more than 10 or 15 years and, therefore, they will put some aside. I have no argument with that because, as you know, a good part of the revenue coming to Alberta and the federal government right now is artificial. It is being collected to approximate world prices of oil rather than basing it upon a need to get the money. Because this is occurring in today's world and may not in tomorrow's world, they are quite properly under a good Conservative government laying some of it aside.

Mr. McEwen: That is real departure for a Conservative government.

Mr. Foulds: If I could pursue that, the next time we hit a big boom in the nickel industry, which should be around 1983—

Hon. F. S. Miller: 1978 or 1979. I hope it is by 1980, but I don't know if it will be.

Mr. Foulds: —would your government, if you are still the minister of this ministry, contemplate a similar kind of action?

Hon. F. S. Miller: I don't know and there is no use my answering hypothetical questions, unless I am either the Treasurer or something else at that point in time.

Mr. Foulds: Or the Premier.

Hon. F. S. Miller: That's unlikely.

Mr. Reid: You are going to be Minister of Northern Affairs next.

Hon. F. S. Miller: I would rather not guesstimate. I can only say that in the 1930s and 1940s we had the rise of contracyclical governmental intervention in the economy. Friedman would answer and say that contracyclical government policies never work because governments always spend as much as they get in good years and a little more than they get in bad years.

Mr. Foulds: There are three other matters of policy I would like to raise with the minister, if I might. I'll get into the details about regeneration on that vote, but obviously you must be contemplating some amendments to the Crown Timber Act.

Hon. F. S. Miller: Yes.

Mr. Foulds: Have you any idea when those will be finalized and what process are you using to process those?

Hon. F. S. Miller: The process has been in motion since before I became minister. The ministry issued a paper dealing with three different policy aspects.

Mr. Foulds: Is that public?

Hon. F. S. Miller: The three studies we did on forestry were on indexing, stumpage fees and clear-cut policies, et cetera.

Mr. Haggerty: Clear-cut policies is right.

Mr. Foulds: Those are the policy options.

Hon. F. S. Miller: What happened is I inherited those papers. Very shortly after being appointed to the ministry, I asked those groups and organizations most frequently dealing with us if they would like to start seeing me on a regular basis. I believe the first one I talked to was the Ontario Forest Industries Association. This group has met with me approximately every two months since then.

In between on special occasions they have seen me and, in turn, there have been staff discussions from both sides so that we could examine proposed changes in the methods of levying Crown dues. We did receive briefs back from them based upon all of these matters. They disagreed with our basic statement that Crown dues should be indexed rather than set discreetly from time to time. Our feeling was that an indexing of dues would reflect market conditions better than a static Crown timber stumpage fee.

We carried that discussion on until mid-October, at which time I said to them that was my deadline for the preparation of potential legislation and under the government system at that point we would not really be able to discuss freely, until I read the bill in the House, how many of their final recommendations we had been able to accept. I had hoped, sincerely, to read the bill for the first time this week—not to pass it, but to read it. That still may happen.

Mr. Foulds: If it doesn't happen this week, presumably it would have to be the first week—

Hon. F. S. Miller: Assuming I don't run into some more problems with the principle of the bill—it hasn't been to cabinet—and assuming it is acceptable to cabinet, I would assume it would be read whenever the House leader feels he, in setting his lists of those things which have to be done first, can put it on the order paper.

Mr. Foulds: You can read it at any time or first reading.

Hon. F. S. Miller: Sure. I realize that. I would like to think we were only reading those we have a good chance of progressing with in the next session. At this point in the session, I'm quite happy to get it on the record and allow it to be seen, if time permits, and allow a reaction to it to be assessed.

Mr. Foulds: One other matter before we move on to the actual items, you mentioned specifically in your opening statement Onakawana under mineral exploration. Has Ontario Hydro's statement to the Hartt commission, indicating that it wasn't interested in using the fuel from Onakawana, had any impact on our ministry with regard to that development?

Hon. F. S. Miller: To display my ignorance, I wasn't aware that Hydro had said that. It seemed to me the last time I dealt with Onakawana—and I will be dealing with it tomorrow, so I shall have an opportunity tomorrow to get up to date on it—there were two basic options open for the developers if they proceeded with the project at all. One was to sell power to Hydro.

Mr. Foulds: Develop their own plant?

Hon. F. S. Miller: Yes, sell power to Hydro.

Dr. Reynolds: When I saw the same headline that perhaps attracted your attention, sir, I spoke to Mr. Gordon, the president of Ontario Hydro, and said that this seemed to be at variance with the various discussions we'd had. He went to a good deal of trouble to explain to me what had really been said, which was not necessarily the same as what had been reported, and, again, what was reported was rather different from and did not give the same impression as that gained from the headline.

What Hydro really said was this, as they explained it to me, it was not in Ontario's present plans. Hydro was not saying it wasn't interested. It was saying, "We have long-term plans for electricity generation in the province and we don't yet know whether Onakawana is going to be a viable operation; whether it's going to be possible to produce power at competitive prices, prices we, Ontario Hydro, can afford to pay and put into the system."

If that proves to be the case—and that is what is now being worked out—if this proves to be feasible, to buy this power at costs which are reasonable and acceptable, then it will be added into Hydro's whole generating capacity.

9:30]

They are not opposed to it. They are simply in a wait-and-see position while these studies go on. If this proves to be acceptable to them at a price they can afford to pay and under conditions which they can fit into the scheme, they indicate they'll be enthusiastic about taking it on. But they haven't got all the numbers together yet to give them a base to draw conclusions pro or con.

Mr. Foulds: You've had an opportunity to examine the actual brief that was the basis for this.

Dr. Reynolds: We have read the brief, and that's my interpretation of what it said, in addition to Mr. Gordon's explanation of it to me.

Ms. Bryden: I have just one area on which I wanted to ask the minister about policy, that is the aggregate industry. I don't think you mentioned that in your opening statement.

Hon. F. S. Miller: Now that you mention it.

Mr. Foulds: That's why my colleague is picking it up.

Hon. F. S. Miller: I would be very glad to welcome you to the seat, Mr. Bernier, if you prefer it at all.

Hon. Mr. Bernier: I'm looking on with a great deal of interest.

Mr. Foulds: The ghost of Claudius comes back to haunt—a substantial ghost.

Hon. Mr. Bernier: I'll sit back here with some of my friends.

Ms. Bryden: We know that the aggregate industry has been under study by the mineral aggregate working party which was appointed in 1975, I believe, and reported in January 1977.

Mr. Haggerty: Mr. Chairman, does that not come under vote 2404?

Mr. Chairman: Mineral management?

Ms. Bryden: I'm just exploring the policy aspect of this as to what the minister's policy is in regard to this report on this industry.

Mr. Chairman: We're going to get into that. In fairness to everyone, we are going by them one at a time. If you want to bring something up at this time, if it's policy I'll accept it.

Ms. Bryden: I think it is policy, Mr. Chairman. George Jewett, executive director of the division of mines, in speaking to the PMLC meeting said: "The need for a provincial policy to manage the resources wisely and to regulate the aggregate industry has been evident in Ontario for many years and the present Pits and Quarries Control Act,

introduced in 1971, was the first effort to formulate such a policy. This Act has clearly achieved what it was intended to achieve and it is an extremely difficult Act to enforce."

Obviously, we're in trouble on this Act and it doesn't appear that the minister is formulating a policy on it. There is a great deal of concern in southern Ontario, particularly, with the way the industry is gobbling up prime agricultural land, with what it is doing to our highways, with what it is doing to our environment and with the general problems it is creating in municipalities in terms of noise, nuisance and unrehabilitated gravel pits. Just recently, a consultant, William Coates, who has studied the situation for the Natural Resources ministry, was quoted as saying that more than half the land dug up for gravel pits in areas of central Ontario since 1971 has been left completely unrepaired.

The two-cent-per-ton rehabilitation fee was set in 1971 and is ludicrously inadequate for the present situation, if it was ever adequate, even in 1971. In the United States, the government recently passed legislation covering strip coal mining and set a levy of 35 cents a ton for reclamation of sites. Even eight cents will not cover the abandoned sites in southern Ontario, of which there are a great many, according to Mr. Coates' report. That is an area in which the province should be moving very rapidly to ensure that we do get rehabilitation not only by existing and operating companies as they wind down but of abandoned ones.

In fact, we should be looking at the whole question of where the responsibility for this policy should lie, whether it really belongs in the Ministry of Natural Resources or whether it belongs in the Ministry of the Environment. It seems to me it is a very sensitive area that does affect the environment greatly. It certainly should be under environmental assessment. I understand at the present time it is exempt from environmental assessment.

The rehabilitation plans certainly seem to me to fit under the Ministry of the Environment much more than under the Ministry of Natural Resources. But since there is so much concern about this area, I wonder if we don't need a select committee of the Legislature to plan a revision of the Act.

Mr. Yakabuski: You couldn't go to California.

Hon. F. S. Miller: I don't think so. I'm quite satisfied that the progress in the past 10 months which I've been privy to has been real. The working party did produce a very

comprehensive report. It looked at the weaknesses in the present pits and quarries Act. It looked at the need to rehabilitate, looked at the need to protect the resource for availability in the future. Whether we like it or not, the number of tons of aggregate per person used per year in this province is real. Since at least half of all the aggregate used in the province is used by either municipalities or the province, it's being used on behalf of the taxpayers of the province.

Assured sources of supply at reasonable costs are very major needs of the aggregate industry. If one looks at the map of Ontario and ignores the towns in existence today, we could probably say we could never run out of aggregate. But it happens that we built on top of some of the best aggregate location in the early days when no one thought we'd run out of crushed stone, which is the least likely, or sand, which is the most likely, or the gravel in between.

To me the question of where the control should be invested is simple: It should be with this ministry. This ministry is responsible for the management of the resources of this province. That is a resource. The Ministry of the Environment is charged with seeing that resources or anything else in the province that has a potential effect upon the environment is used in such a way as to minimize that effect. I don't think you would give them the double job of saying, "We must supply the aggregate and we must also protect the environment," because I think you have an inherent conflict of interest the moment you ask them to do just that.

Currently they couldn't give a darn whether in fact I get the gravel. They only have to worry about whether we pollute the river or the stream or whatever else is involved.

Ms. Bryden: But, Mr. Minister, don't you have the same conflict of interest, that you are interested mainly in projecting it?

Hon. F. S. Miller: My job is perusing it. I don't pretend, I don't have to. Those guys are sitting on me as much as they are on anyone else in properly demanding that the environmental requirements of this province are met.

Ms. Bryden: But are they subject to environmental assessment at the moment?

Hon. F. S. Miller: No. The thing that I would suggest to you is that we have set up in that report—and I'm sure you're familiar with it—a mechanism by which future development and rehabilitation of pits and quarries would be done.

The eight-cents-per-ton is not the cost of rehabilitation, it's insurance that was pro-

ected. One had to pay that into a fund until the rehabilitation was done to the satisfaction or the predetermined levels that were set when the pit licence was issued.

The rehabilitation of existing pits and quarries that were worn out was to be achieved gradually, through the licencing mechanism, with a percentage—and I think it was 10 per cent of the gross licence fee—returning to the province each year specifically for the rehabilitation of currently abandoned pits and quarries, okay? So the tonnage fee is not related to currently abandoned ones.

There have been people who have said that's not enough and maybe they may be right. If it needs 15 per cent or if it needs a higher fee, then we'll have to learn to do it. But I think it's safe to say we all share—the PMLC and others—a desire to see the problems of pits and quarries particularly, their ability to blend into the scenery when we're through, minimized in an unregulated way.

At the same time we do need to have, particularly for the city of Toronto, a reasonably available aggregate supply. There have been suggestions made by groups who are in favour of the proposals in the working parties report that we float aggregate down from Huron county or bring it in on unit trains or things of this nature. I don't know that those have been discarded out of hand. I am just saying that people will look at it. Others have said we should start mining aggregate in the greater Toronto area. That may well happen before too long.

It's pretty hard to realize that something that was worth five cents a ton not too many years ago in my riding, sitting in the pit, can now be valuable enough that we are going to be sinking shafts to get it.

Mr. Haggerty: You generate more revenue from the pits and quarries operations than you actually do in the mining sector, don't you?

Hon. F. S. Miller: It is a mining operation in the truest sense. I simply say we don't have aggregates where we need them. We have them where we don't need them. In the process we have a job of protecting very fragile parts of Ontario, like the Niagara Escarpment, and we have the need to have teeth in the present Act. That's what got the working party going. I can safely say that's another one of those issues I have been working on pretty steadily. I believe I have a responsibility to report to the PMLC before we go much further.

Mr. Haggerty: Could you indicate which recommendations are to be adopted, and when, from that report?

Hon. F. S. Miller: One interesting question about who should run it that's brought up by the report isn't another ministry or me, as Minister of Natural Resources, but whether it should be the province or the regional municipalities. If one starts looking into the disagreement—

Ms. Bryden: I gather AMO has voted opposed to the recommendations of the working committee on who should run it. They want more control.

Hon. F. S. Miller: We have made an analysis of the various recommendations, the people who support them, the people who object to them with minor reservations, the people who object with major reservations and the people who totally reject them. It's interesting to see the pattern, because obviously the people responding to the working party task force did so from their particular point of view.

If you are a producer of aggregate you are going to be tough on wayside pits. If you are a Federation of Ontario Naturalists, you are going to be opposed to pits, period. So you can see a pattern in this.

The municipalities are split on whether they are area municipalities or whether they are regional municipalities, areas saying they must remain supreme and regions saying, "If you do that, we will never get any gravel out of anybody because of the pressures at the area level." So there's a very nice balance of potential controls in there.

I have my mind pretty well made up at this point. In fact I have directed my staff to the approach that this ministry will recommend for discussion by my cabinet colleagues. That has not taken place.

Ms. Bryden: You mentioned it's a resource and that your ministry is to protect resources, but surely agricultural land is a resource and the Escarpment is a resource as well.

Hon. F. S. Miller: Sure, and we are very keenly aware of the Escarpment. The Niagara Escarpment Commission I guess was created and has caused some of you gentlemen to sit in this room because we have put controls on.

Mr. Haggerty: Is there any way that you could have some pit operations along that Escarpment instead of putting them in other areas and other municipalities, causing them undue hardship?

Ms. Bryden: With regard to the Escarpment, I understand that there has been an inventory taken of the Escarpment area and a map produced that shows 216,000 acres of effective reserves of aggregate, and at the moment about 12,000 acres are being currently licenced for extraction. Is the ministry

really considering 15 times the potential out of the Escarpment for aggregate, as on this map?

Hon. F. S. Miller: Not necessarily. I think one has to realize that the reserves may be identified on an official plan. I think that's one of the mechanisms one would have for the determination of which reserves in fact will ever be set aside, as in any other zoning. When one zones agricultural land, it's because one wants it there for future use.

One of the great beauties about a lot of aggregate extraction is, properly rehabilitated, the land doesn't have to be useless at the end of it. I think that is a fundamental difference from the old days when, in fact, it was.

Ms. Bryden: I think we all recognize we have to have aggregate but I think the ministry could be looking at the more remote areas, because in the highly sensitive areas here, we are destroying agricultural land.

[9:45]

Hon. F. S. Miller: It is always remote if it is a long way from you. I happen to have an 80-foot-deep gravel pit by one of my businesses and I am quite aware of the problems. It is not remote at all, but from Toronto's point of view it would be a great place to get more gravel.

Ms. Bryden: It is certainly disproportionate the way it is now.

Hon. F. S. Miller: Yes, I agree.

Ms. Bryden: Fifty-five thousand acres and within 50 miles of Toronto.

Hon. F. S. Miller: In fact, I think the very first recommendation by the committee was that all the municipalities with gravel reserves in this province had a responsibility to see that they contributed to the supply. I think that is one. Is that recommendation number one? We found the least objection to that kind of an approach because Uxbridge and Caledon are without question bearing a disproportionate share of the total burden.

Mr. Reed: And Halton.

Hon. F. S. Miller: And Halton, sure. So the purpose is to improve upon a system where some municipalities, through controls, have managed to make sure they didn't do anything but import the product they needed.

Ms. Bryden: As the environmental critic I am also concerned that you are not seeking to switch to boat and rail. It would use a great deal less energy and would also be less destructive of our highways if you weren't trucking a lot of this by gravel trucks.

Hon. F. S. Miller: Except we will end up trucking a lot of the time.

Ms. Bryden: Do we have to?

Hon. F. S. Miller: Well, realize that gravel is very specifically delivered, except to certain key users, sooner or later. It won't be a long-distance haul, it will be a short haul but handling a material with essentially a low unit value like gravel and transportation of it are the major components of cost. I don't know whether it's nine cents a ton mile for gravel—can anybody tell me? Is it nine cents a ton mile to handle the stuff, just to move it? Every time you move it out of one truck and put it into another truck your cost factors are very real.

Ms. Bryden: Of course, whether they are paying the full cost of the highways—

Hon. F. S. Miller: Who is paying the full cost of the highways? If, in fact, we charge the full cost of the highways for the trucks carrying gravel to build the highways, the cost of highways will go up. And 50 per cent of it is being used—

Ms. Bryden: That may be so, but there are social costs too.

Mr. Foulds: Surely we can look at the parallel model for grain handling, which is trans-shipped a couple of times. They try to keep it to a minimum and there are a large number of shipments that could be. I think, looked at in that way, as possibilities at any rate.

Hon. F. S. Miller: But let's be honest. Has grain ever paid the full shot of transportation? I don't think we are subsidizing the transport of gravel at all, except in the way you may have alluded to—in the same way we subsidize you every time you drive home at night or take the subway, whichever you elect to do.

Ms. Bryden: It's time we started to build in all the external costs into these things and then we would know which is the most effective way.

Mr. Reed: That's not really a fair statement, Mr. Minister, considering the fact that your own Minister of Transportation and Communications (Mr. Snow) has proudly stated that the revenues collected from licence fees and fuel, and so on, actually cover the cost of the operation of his ministry.

Hon. F. S. Miller: I added them up. The future ones will, the current ones don't.

Mr. Reed: No, he did admit this last year, they didn't quite, that is why he's changed.

Hon. F. S. Miller: But bear in mind there are ministries like Community and Social Services which has no offsetting income at all. Environment has very little offsetting income.

Ms. Bryden: We're still not covering the social costs, we just talk about the cost of building a highway.

Mr. Chairman: Are there any more questions?

Mr. Haggerty: Yes. I want to continue with vote 2404 because that is what we are on.

Hon. F. S. Miller: We really haven't started it yet.

Mr. Chairman: No, we really haven't even started it yet.

Mr. Haggerty: No, but that is what we are discussing.

Mr. Chairman: You had your answers to questions on Wednesday and Friday. It was entirely up to you people.

Mr. Haggerty: No, but that is what it has led into.

Hon. F. S. Miller: I can talk till my voice goes—

Mr. Reed: My suggestion would be, we get on with these votes.

Mr. Chairman: I think I have been lenient enough. We've had enough questions so I think we should get into the estimates and take number 1 of the estimates.

On vote 2401, ministry administration program; item 1, main office:

Mr. Foulds: You can rule on this, Mr. Chairman, but I don't see any other place that I can talk about the use of casuals, in terms of staffing for the ministry. Could the minister outline how many full-time—

Mr. Chairman: That can come under personnel services.

Mr. Foulds: I would be glad to leave it till then, Mr. Chairman.

Items 1 to 3, inclusive, agreed to.

On item 4, personnel services:

Mr. Foulds: I wonder if you could tell me how many full-time casual employees the ministry employed in the last fiscal year?

Hon. F. S. Miller: I have a number in front of me, but I am not sure it is the total.

Dr. Reynolds: It varies greatly, of course, throughout the year, to a low—I guess we are close to the low for the year now—just to pull a figure out of the air, I would say it might be 1,000. At the peak of summer activities when we have all the parks in operation, for example, and you probably know we have a great number of parks which have no permanent staff, they are operating entirely with casuals, when all

the junior rangers are operating, when all the Experience '77 people are working, when all the biological surveys, all the forest surveys are out and all of that sort of thing, we get up to a total of perhaps 12,000 or 13,000, perhaps a little more. That doesn't count extra firefighters, who would be over and above that.

There is a great variation at various times of year. We hire people for specific jobs and then they go back to school or whatever else they might do for the rest of the year. Hopefully, we don't have any people on staff who are without things to do for any length of time. In other words, it gives us maximum flexibility. Our total complement is of the order, in round figures, of 4,000, but we rise and fall, in total of casuals and contract and full-time people, from a current low of perhaps 5,000, roughly, at the present time to a high at midsummer of about 17,000 or 18,000.

Mr. Foulds: How many permanent casuals do you have? One hears stories—

Hon. F. S. Miller: The figure I have here is in the 700 to 800 range.

Mr. Foulds: If they are permanent casuals, why don't you adopt the policy of putting them on staff as full-time employees?

Hon. F. S. Miller: I think we are trying to. It's as simple as that. Again, Mr. Spry may wish to explain what we are trying to do.

Mr. Foulds: Yes, I would appreciate that.

Mr. Spry: Yes, this is part of a government-wide process that is going on right now. Management Board, of course, is coordinating it and we will shortly be approaching them with the number of positions that we feel could justifiably be made full-time. It's in the order of the 700-odd that the minister has mentioned. These are positions that are required. The work that is being done by the people at the present time in these positions is full-time work required for the whole year. A lot of these have developed as the years have progressed. They weren't full-time positions to begin with, but eventually as the programs matured and so on some of these positions have become full-time and these are the ones that we are now addressing.

Mr. Foulds: Surely you would agree, Mr. Spry, and I imagine the minister would agree, that in terms of reliability and efficiency it would be better for those that are required jobs, permanent jobs, to have them on full-time, because of the insecurity that they feel and the possibility that once

you get them trained they leave because the job just isn't for them.

Mr. Spry: I think what we are trying to guard against is the attractiveness of keeping a trained person on full-time in a position that is really not a full-time position. I think this is the kind of conflict and the kind of discussion that has to go on to determine which ones are full-time positions. This is what we've been doing over the past six months.

Mr. Foulds: At the present time, you would with some qualification estimate there are about 730 people in those jobs that you feel as a ministry could justifiably be made permanent employees?

Mr. Spry: Yes.

Mr. Foulds: And you're working towards that?

Hon. F. S. Miller: We are.

Mr. Foulds: What are your chances at Management Board?

Hon. F. S. Miller: I think the government itself has seen that this is not a one-ministry problem and that the complement rule perhaps had to be interpreted in other ways so as to avoid what was, I'm sure, a trying situation both for the employees and for the employers in many cases of requesting somebody to take time off and then, frankly, replacing him with somebody else in that time off. The risks you've talked about—losing that person and the inconvenience to the person—made us realize the rules, as they were then written, needed to be interpreted in a better way to allow better management of personnel. That's what the whole government has been working towards and not just this ministry. This ministry, I suspect, has the problem in spades compared to any other.

Mr. Foulds: Largely because of the park system that was mentioned.

Dr. Reynolds: Frankly, we have quite an investment in this.

Mr. Foulds: Exactly.

Mr. Bolan: This possibly is following along the lines of Mr. Foulds, but what I'd like to direct my question to is what is the ministry's policy with respect to contracting for services of professional people? I think of professional biologists and foresters. Do you have a policy, for example, of hiring people full-time to do an acreage count of trees within a certain area or to conduct certain biological studies where you need these people for only six or eight months?

Hon. F. S. Miller: I signed a couple of contracts today that dealt with the hiring

of specific professionals for specific jobs. Perhaps we could go back to the Reed proposal in northwestern Ontario. One of the fundamental steps under it was to do an inventory. We did issue a number of contracts for that inventory work to be done because it was a specific job with a short overall time span, not justifying the employment of people on a full-time basis. In a ministry like ours, we're going to be doing that from time to time.

Mr. Bolan: Do you have a large turnover of these people, or are they the ones who remain on your list?

Hon. F. S. Miller: Oh, no. In some cases, we contract the job.

Mr. Bolan: The job opens up and you have a list of people who have worked for you before, let's say, in the forestry programs so you go back to these professional foresters and say, "We need you for another eight months." In other words, are they not really on your full-time staff but on a contractual basis for periods of eight or 10 months?

Hon. F. S. Miller: I think you're mixing up two kinds of jobs.

Mr. Bolan: Maybe I am.

Hon. F. S. Miller: In the case of the ones on the top the contract probably was given to a specific company which used its employees, rather than us contracting for a series of individual employees as in the case of those I referred to.

Dr. Reynolds: We are permitted to enter into contracts for individual or group services for periods up to three years. If we have a job which is of a non-recurring nature, but might take a year or two years or two and a half years, we do hire people on a contract basis for a specific length of time to do a specific job. When the job is completed, it is terminated.

Item 4 agreed to.

On item 5, information services:

Mr. Reed: I would like to ask the minister in terms of information services if he considers the dispensing of information as something on which his ministry could recover some of its costs. I realize that can't be done in every case, but do you actually dispense some of your information pertaining to your ministry with a view to recovering the cost of printing, publishing and so on?

Hon. F. S. Miller: Do you mean specific booklets?

Mr. Reed: Specific booklets.

Hon. F. S. Miller: We do have a charge on a number of major publications. This

ministry does print a lot of material. That's because we're responsible for the paper industry.

Mr. Foulds: You're stockpiling.

Hon. F. S. Miller: Yes, in a different form. It has to be de-inked before it can be sold.
[10:00]

Mr. Reed: Does this \$1.798 million not represent the total of your information? This is the information that you give away?

Hon. F. S. Miller: No, no. Our figures should show the gross expenditure and any monies go to the Treasury, not to us. Is that correct, Mr. Spry?

Mr. Spry: That's correct.

Mr. Reed: Do you have any policies in regard to information that you're not—

Hon. F. S. Miller: Very often, for example, you'll see us issue a proposed master plan or a master plan on a park, or a trails council report or something of that nature. Our press release referring to it will say, "Copies of this may be obtained from the government bookstore for \$2" or 50 cents or whatever it may be.

Dr. Reynolds: I have some figures of expenditures and estimated revenues to show you perhaps, if you wish, how those do tend to balance out.

Mr. Reed: It would be interesting if we had the time.

Dr. Reynolds: If you like, we can make them available to you and not take up the time of the whole committee. As the minister says, in many cases what you're looking for is large-scale dispersal of information, so that people aren't inhibited by the cost if they can't afford to buy it.

Mr. Reed: I'm also aware that there's something in the business of appreciating the information to a certain extent if there's a nominal charge.

Hon. F. S. Miller: Let's go to Algonquin Park, for example. I don't know whether you've walked any of the trails in Algonquin.

Mr. Reed: Yes, I've gone on a good many of them.

Hon. F. S. Miller: Almost every trail at Algonquin has, at its beginning a pamphlet describing the trail and a series of numbers along the trail at which one stops and refers to the pamphlet. I think on most of these trails is a little box in which you can put 10 cents. I think that's the standard fee. "Please drop a dime in and take a book" type of thing. If you don't, so what.

Mr. Foulds: They're like at church.

Hon. F. S. Miller: That's right, yes. We even say in some cases, "Now please put it back in the box for the next guy." We have a number of schemes whereby we do try to recover costs.

Mr. Foulds: There is an important principle here that obviously is a delicate balance. You don't want to inhibit information. For example, the fishing regulations should be free. I think that would be your policy so that it's widely distributed to anyone who needs it, whereas for the more substantial ones you would perhaps charge a nominal fee.

I have one question on information services with regard to ministry libraries. Could you tell me where these are located? I know you used to have regional libraries. Is this still the case?

Dr. Reynolds: Not regional, no. In each regional office and in, I guess, every district office they have collections of books and pamphlets and for the most part things of local interest, for their own use. The foresters would have a shelf of books that they refer to. But we have libraries in Toronto for use by employees of the ministry; not for the public generally, although the mines library is of a more technical nature and its materials are available to people who use it directly. It's a very specialized library and has material which, in many cases, is not in the public libraries and that is related to the mining industry. People do really come in a great deal off the street and the very obliging and knowledgeable library staff provide an important service there. We also have a fish and wildlife library that's not part of a general library. Are they still separate?

Mr. Spry: No, the fish and wildlife and the timber library is up at Maple, adjacent to the research area.

Dr. Reynolds: No, no.

Mr. Foulds: Can we get the act together here and actually find out what is happening?

Mr. Herridge: The former fish and wildlife library at Maple was brought to Toronto and was melded with the former timber library into what we now call the resources library on the the fourth floor of the Whitney Block. Still at Maple are the fish, wildlife and forestry research libraries.

Hon. F. S. Miller: One thing I might mention that you haven't asked about in information services is that this year, hopefully for the first of several times, we changed the emphasis on displays. We had a very well prepared display at the Ontario Science Centre for quite some time, in place of the regular CNE exhibit to some degree. We just

felt it was a better place to be doing the kind of job we were doing. I was there for the opening day and I understand it met all the standards of the Ontario Science Centre, which are high for educational displays, and I am told it also attracted a good audience.

Mr. Moritsugu: And a very interested audience.

Hon. F. S. Miller: How long was it there?

Mr. Moritsugu: Three and a half weeks.

Mr. Riddell: You didn't have the display at the CNE this year, then?

Hon. F. S. Miller: No, that was my understanding. We did not. We had a discussion in advance—

Mr. Riddell: At any of the fairs? The Royal Winter Fair?

Dr. Reynolds: The Sportsmen's Show, of course, is one where we have a particularly large display, but given the relatively short period of time of the CNE, the competition for space and frankly the rather low priority it received in the CNE attractions, we felt we could use the money to better advantage in the show at the OSC. That was experimental, but for about the same amount of money we had at least as good a show and for a much longer period; as Mr. Moritsugu has said, for about three and a half weeks as against 10 days. It was in a very attractive setting.

This year we hope to have one—I hope I am not putting my neck out too far—we are planning to have one of similar dimensions—it is much more difficult to put together, but it will likely last longer—on mining, a very difficult aspect of our resources to explain to the public. We feel very strongly that we will get a much better coverage and cover a much wider area of public participation with this type of thing than we did at the CNE.

Mr. G. I. Miller: Doesn't the Exhibition run for three weeks, though?

Hon. F. S. Miller: The CNE?

Mr. G. I. Miller: Yes.

Dr. Reynolds: No, it runs under two weeks now.

Mr. Riddell: On what do you base the fact that it received a low priority at the CNE? Any time I have been there, there have been crowds of people going through the Natural Resources displays.

Dr. Reynolds: It has not been high in the last two or three years, sir. At the Sportsmen's Show it is very high, and we get prime space. Frankly, we don't pay for our space, and I suppose we get space accordingly. We have been in very distant areas of—it's not

the Horse Palace any longer, but whatever it is.

It seems that people going there are not now looking for our type of information, whereas great numbers of school children and adults who go through the Science Centre can relate to this much more easily. In fact we think the scientific aspects of what we do should be considered too, rather than just as the spectator sport where people oh and ah over a big fish.

Mr. Riddell: Do you have displays on a smaller scale that can be used at some of the smaller fairs, the class A fairs or even class B fairs?

Dr. Reynolds: Yes, we continue to do those. It is only the one at the CNE that we dropped.

Mr. Foulds: Just to follow up on the library thing for a moment, does the ministry have a complete catalogue that it publishes of the materials available in its libraries?

Hon. F. S. Miller: Of our publications?

Mr. Foulds: No, not of your publications, but the books that you have.

Dr. Reynolds: Periodically we put out acquisition lists of the new items that have been added, but there is no single catalogue; it would be a monstrous undertaking. It's on card-type units and if you are looking for a specific article on a specific subject, just as in the public libraries, you can refer to the files or be helped by the librarians, who would tell you whether we have it and where you can get it if we don't have it.

Mr. Foulds: That main catalogue would be in the Whitney Block?

Dr. Reynolds: On the fourth floor.

Mr. Foulds: On the fourth floor, where you have amalgamated it. Thank you very much, Mr. Chairman, on that item.

Item 5 carried.

On item 6, analysis, research and planning:

Mr. Haggerty: I want to ask the minister why there is a reduction here in this year's vote? It amounts to about \$153,400. I think research and planning is perhaps one of the most important priorities that should be there in the minister's program. Look at the forest management program. A lack of research and planning in that area alone is causing you a certain amount of difficulties.

Has there been any research done on recycling? Every time I look at a building being torn down in Toronto, the only way I see any of the material being recycled is that they pick it up in a dump truck and dump it into Lake Ontario where it serves as land-

Have you done any research at all on the matter of recycling the old bricks, stones and mortar coming out of some of these buildings?

Hon. F. S. Miller: I think if you assume this was the money we spent directly on research of that type you would be wrong. I will ask Mr. Spry who handles this part of the budget to define what we mean by the word "research" here.

Mr. Haggerty: I am sure I am wrong in what I am suggesting but I am suggesting you should be branching out a little in this area.

Hon. F. S. Miller: For example, we recently set aside \$500,000 for specific research on geosciences in one area alone. I will have Mr. Spry define the terms "analysis," "research" and "planning" for you and explain the fact that some staff members have been transferred in the past year to other functions.

Mr. Spry: There are three activities or sub-activities or whatever name you would like to give them included here. The program analysis group, as it's referred to, is the core group that remains as a separate entity of five to six people. Six positions have been transferred to the various divisions as mentioned at the bottom. That is the analysis part of it.

The research referred to here might better have been called science activities. The research expenditures appear in three places in the estimates—under the mines activity, under the forests activity and under the fish and wildlife activity. You can address yourself to those items at that time. The one that is labelled "research" is a very small part of the total.

The third item in here is what we call our policy co-ordination secretariat. You might put that under the name of planning. This is terminology that is used in common across the government to describe the types of items that are included here. It is our policy co-ordination secretariat, made up of perhaps 11 people who are putting together and co-ordinating the policy activities of the ministry.

The reason for the large reduction, as the minister has mentioned, is the transfer of six analysts and their placement in the six program divisions.

Mr. Haggerty: These are new changes then?

Mr. Spry: The rest of it is a relatively small change.

Mr. Haggerty: This would relate to the minister's policy in research?

Mr. Spry: Yes.

Mr. Haggerty: That is the question I asked him about, whether any research was done on recycling.

Hon. F. S. Miller: I think you are talking about applied research now. That is not the type we are talking about here. I would have trouble telling you what type of research. The word science was used. The people in this part of the ministry are generally helping me prepare papers, analysing, for example, the working task force on aggregates, helping me prepare policies on the strategic plan of Ontario fisheries for presentation to cabinet, et cetera.

Mr. Foulds: This is all internal.

Dr. Reynolds: Yes, but an administrative type of activity.

Hon. F. S. Miller: The word research is perhaps not a good term.

Mr. Haggerty: It says "providing research" and then it says "and scientific services." I am only looking at "providing research."

Hon. F. S. Miller: Perhaps Mr. Spry could give us some examples of the kind of research they do there.

Mr. Spry: I don't think there really is any research per se. That heading, as you said a minute ago, is a heading that Management Board has developed to define certain types of activities. Our two types of activities under this heading really are program analysis and policy co-ordination.

Hon. F. S. Miller: You have a researcher for you as official critic doing certain things for you, rather than researching new uses for products.

Mr. Spry: I think we would have to say that's not a good description we have on that second page.

Mr. Haggerty: What you are telling me is you don't have any research.

Mr. Spry: Only to the extent that there are scientific aspects.

[10:15]

Mr. Haggerty: Do you farm any of it out?

Hon. F. S. Miller: No, we're saying you'll get this specific research you're talking of under its three program headings—fish, mines and forests.

Mr. Haggerty: I don't know if I'm going to get it there or not. That's the reason I was asking.

Hon. F. S. Miller: That's what we said in answer to your question. It will come there, yes.

An hon. member: Recycling?

Hon. F. S. Miller: When we get to that vote I'll find out whether we do or don't.

Mr. Haggerty: I'm not satisfied with that answer.

Interjections.

Mr. Chairman: Gentlemen, if everybody is talking at the same time nobody knows what is going on. Mr. Haggerty has the floor.

Mr. Haggerty: What you're telling me is that you're not sure that it's going to be in the other three votes or not. What I'm saying is that you don't have any research, so I'm going to make some suggestions to you, if you permit me.

Hon. F. S. Miller: I don't mind.

Mr. Haggerty: What research have you done in the area of methanol, using wood fibres?

Hon. F. S. Miller: I think you will find that the Minister of Energy (Mr. J. A. Taylor) is doing that. Is that correct?

Dr. Reynolds: Yes, that's so.

Mr. Haggerty: Don't you have any consultative discussions at all?

Hon. F. S. Miller: That's looked at as an energy source. I've been very interested in the use of wood fibre for methanol but the Ministry of Energy is the ministry responsible for any reproduction and is doing certain work right now on that particular thing.

Mr. Haggerty: I'm pleased that you are because if you've seen the waste in the wood fibres that lie up in the forests of northern Ontario, you would see the need for a program in that area, I'll tell you.

Hon. F. S. Miller: Last year, when I went around the province and viewed the burnt trees, I was most concerned and wrote letters at once to see how we could utilize sections that were burned because under today's modern techniques you can't use the chips. The chips contain too much carbon. The carbon shows up in the paper products so the burned timber is no use to the industries, and you can't economically harvest it.

I was interested in two uses for that. Is it potentially usable for methanol? I'm not sure.

Mr. Haggerty: If it's got carbon in it.

Hon. F. S. Miller: Is it potentially usable as straight energy? That, I understand, is being looked at under the Hearst project, another Ministry of Energy project.

Mr. Haggerty: The problem is still in the licence fees for automobiles in northern Ontario. You should have gone into research on this thing, taking that money from the licences and getting into a secondary industry up there, providing the manufacture of wood alcohol for automobiles.

Hon. F. S. Miller: Again, in the Hearst project, which I understand the Minister

of Energy is sponsoring, we're looking at methods of using the energy content of wood fibres that are currently being wasted which is really what you want to do. I went to the opening, with the Minister of the Environment (Mr. Kerr), of a 25-megawatt generator for Abitibi at Smooth Rock Falls this summer. They're taking all the junk that used to be dumped in the river and burning it, converting it into energy. Methanol's problem right now is that it costs too much to produce in terms of cost per gallon. The research has to be aimed at one or two things—a more efficient conversion or research on methods of production, anticipating an ever-increasing cost of other fuels.

Mr. Haggerty: That's what you have to take into consideration.

Hon. F. S. Miller: So they're just saying "Be ready when it gets here."

Mr. Haggerty: If the oil prices continue as high as they are, you're going to have to do something.

Hon. F. S. Miller: Yes, there's no argument at all. As a matter of fact, if you look again at our research program on hybrid poplar which is a major research program, we're looking at it as a biomass producer able to produce more tons of convertible fibre per acre per year than almost any other kind of tree. Methanol would be one of the major potential uses of that particular crop on the mini-rotation basis which is about two-year cycles.

Mr. Bolan: Where is this poplar program being carried on?

Hon. F. S. Miller: Mainly in southeastern Ontario, centred in Kemptville. There are ARDA lands in that area and Domtar lands in that area.

Mr. Bolan: What are the components of this program that make it so attractive? They say about 900,000 tons of it can be produced as methanol gas in Toronto alone—from waste or garbage.

Hon. F. S. Miller: That may be methane in that case. Methane in the case of garbage; methanol in the case of wood fibre, I would think.

Mr. Bolan: You can produce it.

Hon. F. S. Miller: You can convert methane to methanol under a catalyst, I guess; that's what they're doing.

I'll try to answer Mr. Bolan's question for a second. The project down there is aimed at finding the proper hybrid because there are many crosses you can work with. At the Kemptville nursery, we have a series

of 10-by-20-foot plots with what we call clones, clones being asexually—is that the right word?—

Mr. Reed: That's pretty good for this time of day.

Hon. F. S. Miller: —regenerated trees, trees in which you're taking clippings, sticking them in the ground and, therefore, getting exactly the same genetic makeup in each growing tree. We're looking at the effect of different herbicides on the rate of growth and we're looking at the effect of different fertilizers on the rate of growth. Through this relatively large, statistically-planned experiment, you're able to do a correlation analysis, I would assume, on the three variables, to come up with the combination of all three that would give you optimum results.

Then we're also looking at the cycles and planting methods to get maximum weights of wood fibre per acre per year. My staff tell me we've had as much—although I don't think this is an average—as 17 tons dry weight of wood fibre per acre per year produced—

Mr. Bolan: That's fantastic.

Hon. F. S. Miller: It is—on plantations where we're planting it just like corn and cutting it at the end of the second year. The great beauty is that unlike corn, you don't have to plant it the next year because it grows up again. So once you've established the root system you have a crop that regenerates for perhaps six to seven cycles, before in effect you get too many stems off the root structure to justify carrying on.

Dr. Reynolds: As a pilot project, it appears you can now produce methanol from this material in the order of \$1.10 a gallon, which is getting close economically to gasoline. I'm not sure they're comparable in terms of Btu but it's of that order. Every time the price of gasoline goes up, of course, it closes the gap.

Mr. Haggerty: It's cleaner-burning fuel, and better mileage ensues.

Hon. F. S. Miller: Better for what—drinking or burning purposes?

Mr. Foulds: Oh, no, it's not the drinking kind. It's more expensive than the LCBO price.

Mr. Haggerty: Can the minister inform us where this research is being carried out?

Hon. F. S. Miller: That research is being done in two principal places. First, at the Maple research station where a good deal of research is being done on the selection

of the hybrids. I believe it originated at that point. The applied research is mainly centred on Kemptville. But as you travel around the province from nursery to nursery, you will discover a number of the nurseries are in different climatic areas; we have stands of these trees where we're observing them under cold weather conditions, and so on. A good deal of work on that is going on under the assumption that this tree is adaptable to almost all of the growing regions of the province of Ontario. It's about the **only tree that is.**

Mr. Haggerty: I think this was one of the concerns at the convention at the Lakehead in 1975. The professional foresters were concerned about the waste that is being permitted in the cutting over of Ontario forests. There is so much waste lying there that could be used.

Hon. F. S. Miller: I'm challenging the foresters in a meeting sometime in March to tell me simply what I should do. I'm not a forester. If, in fact, the forests of the province of Ontario were in trouble, the first people I'd turn to are the foresters and say, "You guys have been running it. If you can't agree on how to do it, don't ask me as an engineer to do it." I want to get to the bottom of this and I have asked the deputy and he's arranging to have probably the first major internal conference we've ever had on this type of project.

Mr. Bolan: I have a supplementary to the question asked.

Mr. Chairman: Mr. Reed first and then you, Mr. Reed.

Mr. Bolan: I was just going to ask a supplementary.

Mr. Chairman: I know, but how would you feel if you asked and the chairman recognized you and three other guys spoke before you. I feel a little hot when that happens to me.

Mr. Bolan: I would feel rotten.

Mr. Chairman: Mr. Reed, then.

Mr. Reed: Thank you, Mr. Chairman, I'll try to be brief. It's very obvious from this discourse on research and planning that this ministry is going to have closer ties with the Ministry of Energy as our move toward renewable resource utilization increases and I commend the ministry for its activity in this regard. I think we have a distance to go but it's very nice to see it has begun. I would ask the minister how much of this research money is going into the development of adequate fishways?

Hon. F. S. Miller: When I answered the first question for Mr. Haggerty, I pointed out

that the word "research" here was being used in the wrong way.

Mr. Reed: How?

Hon. F. S. Miller: I think you heard Mr. Spry say we have a section under each of the component parts—fish, wildlife, mines and forests—where, in fact, there will be some dollars isolated.

Mr. Reed: In other words, there are no dollars isolated under this part for fish development?

Hon. F. S. Miller: Not under this vote. It would be like inter-office research, like your having an assistant doing the work for you.

Mr. Reed: Thank you.

Mr. Chairman: May I interrupt? Shall we call for a vote? The bells are going to ring. Shall we call for a vote on item 6?

Mr. Foulds: I have one comment.

Mr. Chairman: You have a five-minute bell, Mr. Foulds. I could adjourn the meeting now.

Mr. Foulds: The one comment I wanted to make is that for the kind of research for which the minister has \$600,000, we have one-sixth of one researcher to cover it.

The committee adjourned at 10:28 p.m.

CONTENTS

Monday, December 12, 1977

Opening statements, continued: Mr. F. S. Miller	R-1145
Ministry Administration Program	R-1163
Main Office	R-1163
Personnel Services	R-1163
Information Services	R-1164
Analysis, Research and Planning	R-1166
Adjournment	R-1170

SPEAKERS IN THIS ISSUE

Bernier, Hon. L.; Minister of Northern Affairs (Kenora PC)
 Bolan, M. (Nipissing L)
 Bryden, M. (Beaches-Woodbine NDP)
 Foulds, J. F. (Port Arthur NDP)
 Haggerty, R. (Erie L)
 Havrot, E.; Chairman (Timiskaming PC)
 McEwen, J. E. (Frontenac-Addington L)
 Miller, Hon. F. S.; Minister of Natural Resources (Muskoka PC)
 Miller, G. I. (Haldimand-Norfolk L)
 Reed, J. (Halton-Burlington L)
 Reid, T. P. (Rainy River L)
 Riddell, J. (Huron-Middlesex L)
 Yakabuski, P. J. (Renfrew South PC)

Ministry of Natural Resources officials taking part:

Herridge, A. J., Assistant Deputy Minister, Resources and Recreation
 Moritsugu, F., Director, Communication Branch
 Reynolds, Dr. J. K., Deputy Minister
 Spry, G. D., Executive Director, Finance and Administration Division



No. R-45

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Resources Development Committee
Estimates, Ministry of Natural Resources



First Session, 31st Parliament
Wednesday, December 14, 1977

Speaker: Honourable John E. Stokes
Clerk: Roderick Lewis, QC

CONTENTS

A list of the speakers taking part in the debates in this issue of Hansard appears, in alphabetical order, at the back of this issue.

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LEGISLATURE OF ONTARIO

WEDNESDAY, DECEMBER 14, 1977

The committee met at 10:06 a.m.

ESTIMATES, MINISTRY OF NATURAL RESOURCES (continued)

Mr. Vice-Chairman: Ladies and gentlemen, we will now commence the meeting.

On vote 2401, ministry administration program; item 6, analysis, research and planning:

Mr. Pope: There are a number of items I'd like to pursue which, I believe, relate to analysis, research and planning. One of the important items in northern Ontario is the policy of this ministry with respect to disposition of Crown lands. In the Ramore-Holtyre-Matheson area we have large tracts of land that are designated on the federal and inventory maps as being arable agricultural land. We also have a great many lakes in the area with recreational lands surrounding them.

We also have a problem in that people of these outlying communities have been squatting for a number of years, either on private and or on Crown land. There are a number of complaints coming into my constituency office with respect to the attitude of the Ministry of Natural Resources towards giving them a piece of land on which to locate their homes or recognizing the fact of their possession of that Crown land over a period of years.

I'd like to know why the ministry is being so absolute in its policies with respect to these people. I'd like to know if you have any different criteria for the sale of Crown land—not the lease Crown land but its sale—if it is going to be used for agricultural or recreational purposes or even to give some recognition to what has existed over a number of years, which is that people are actually living, locating and building homes on Crown land.

Quite frankly, I don't agree with the policy you have right now. I think it's too absolute. It's not flexible enough and it creates a lot of problems in northern Ontario. It also creates a lot of legal work—not that I mind that, but we have to go for renewals and you seem to have varying attitudes toward

the terms of your leases. Most people can't understand your policy. This is an area which, in my respectful opinion, has to be planned a little better. There has to be more flexibility.

The next item—I don't know if you want me to go through all of the items.

Hon. F. S. Miller: Can we take them item by item?

Mr. Pope: Okay.

Hon. F. S. Miller: One of the dangers is that in trying to deal with a series of items, I may lose the content of any one you mention.

I point out in answering that I am happy to answer this under any vote. Probably this should come under vote 2402, which deals with land administration in general. But I will use the time as you people on the committee see fit.

One of the issues we are tackling in my ministry's policy-forming committee is precisely the one you are talking about; in other words, what should be the posture of the government towards the use or disposition of Crown land in the future? I have signed, in the few months that I have been minister, a number of authorities to sell Crown land in northern Ontario for farming purposes. So, in fact, that does occur, and I believe—I was just checking with the deputy—our current policies will permit the sale of Crown land for that kind of purpose.

I am not sure I'll touch on them all. If Mr. McGinn is present, perhaps he should be near enough to us to enter into the conversation, because he will be an authority on these things.

I believe we have also been selling Crown land for commercial purposes, along highways and so on. We recently signed the authority to proceed with the sale of a large chunk of Crown land to a municipality for development of land. That was in the Elliot Lake area, and I believe we have been doing the same thing in the Gogama area. We've been taking a town site that was surveyed many years ago and selling it.

If one came south of the Mason-Dixon line into the other part of Ontario, where there is perhaps a higher percentage of private land in relation to Crown land, the rules have

been interpreted a little more rigidly. I don't think you'll find much leasing of Crown land, let alone the sale of Crown land, south of the French River. Is that accurate, Mr. McGinn?

Mr. McGinn: Because there isn't too much Crown land left, Mr. Minister.

Hon. F. S. Miller: In effect, members of my staff have been talking to me about the need to rewrite the basic Act and, in rewriting the basic Act, to look at the principles that I, as their minister, might want enshrined in it before they start doing a lot of work.

I happen to believe that ownership in the name of the Crown isn't always the best means of control. This is not current ministry policy. In other words, I am not convinced that we have control of the objectives we believe in, simply by leasing or giving annual licences of occupation.

Theoretically, the Crown retains the ownership of land and can do what it may see fit in the future. In fact, removing tenants on Crown land, when you want to do that, turns out to be much more difficult—witness Rondeau Park, witness Algonquin Park, witness other places where leases are up.

There's a second thing: I don't think we have economic rents for the lands under those kinds of conditions. People may have made deals years ago and have been paying on the basis of leases signed in 1914, 1918, 1920 or 1940; it wouldn't matter. The fact remains that the terms of the lease set without escalator clauses, which have become part of almost everybody's deals these days, often don't bring back to the Crown the returns which the land should have brought back to the Crown.

I don't mean this as a dramatic change in policy. It may be a minor change. On certain occasions we might sell—we might broaden the terms. But in certain areas of the province you would not want to be selling land to the pulp and paper industries for the growth of forests. You would not want to be selling more land to the mining interests.

I'm a capitalist, but I'm not so much of a capitalist that I want to give up those basic grounds. I just want to clarify that, because I think some people would jump to the conclusion that this signalled a change in thinking. It is always dangerous to talk about my thinking before it's fact.

In any case, that kind of direction has been given for us to be considering and it is the kind of direction you seem to be implying we should be following.

[10:15]

Mr. Chairman: Are you finished, Mr. Pope?

Mr. Pope: No. Could you give me some indication of when you can foresee that your thinking will be restated as policy?

Hon. F. S. Miller: There are two aspects I suppose. Mr. McGinn may be able to help me here. One would be a major thing—that's rewriting an Act. When you look at the time frame for rewriting an Act, one looks at years, not months, when it's as complicated as the Act we're dealing with here.

When one looks at variations in existing policy that can be done within the framework of an existing Act, that's not too hard. I think you'll find we have some room for manoeuvring on that basis.

My deputy says we probably have all the room we need to make ad hoc decisions whilst we're looking for a basic, accepted change in statute.

Mr. McGinn: I think Mr. Pope mentioned earlier some concerns with respect to agricultural land. Is that correct, sir?

Mr. Pope: Yes.

Mr. McGinn: Where there is agricultural land, committees are set up in the various regions between the Ministry of Agriculture and Food and the Ministry of Natural Resources. When the ag reps determine there is land that is good for agricultural purposes, they will make a recommendation to have that land sold to the person concerned. It comes down through a committee recommendation and then passes on.

Mr. Pope: I appreciate that those kinds of efforts are being made and that there has been some progress. But one of the real problems we have is that there are some grave doubts in the minds of some ag reps as to the future of agriculture in northern Ontario. I think that has coloured the thinking of some of the committees. The people who come into my constituency office are talking about a certain kind of agricultural use of the land, which you might want to call subsistence farming. I don't think the committees have recognized this as being an agricultural use.

A lot of these people have lived all their lives in small communities like Holtyre and Ramore. They might be people who are in their 40s and 50s who, at one point in time, have farmed someone else's land. They want to carry on what you would call a very small farming operation in the hope that it will continue to grow.

In the Ramore area some of them have worked for a number of years for corporations that own pieces of land in that area; those

corporations obtained that land principally for agricultural purposes but they have not had any local control over it. They have been given the land and these local people have been working it for them, but the continued commitment of capital isn't forthcoming. Most of them are southern Ontario corporations—with farming experience; so don't get me wrong—but they haven't continued their commitment to that land. These people want to continue in the agricultural industry doing what they feel they can with their limited capital resources. Every time they turn around they find there's no land available for them and they can't make any sort of arrangement with the Crown.

I could give you specific names but that's not the purpose of this. I'm just wondering how you handle that kind of problem.

Mr. McGinn: I think the attitude of the committees and the ag reps is such that there are many areas in northern Ontario—and I'm speaking for instance, of the area around Cochrane, Val Caron—

Mr. Pope: The tri-town area.

Mr. McGinn:—perhaps north of New Liskeard and so on—where there is agricultural land that is not now being farmed. The attitude may be that it is better to rehabilitate those farms and get them into a productive state rather than to go out into the bush and to clear absolutely new pieces of land. I think it has been demonstrated that it's every bit as cheap to acquire those pieces of land that have already been developed then to go into a new area to clear the bush. Does that answer your question, sir?

Hon. F. S. Miller: Not necessarily the way he wants it, though.

Mr. Pope: We could get into a long, involved discussion about the Veterans' Land Act and how it's administered and how the land has gone out of production. But I understand what you're saying.

Mr. McGinn: Mr. Pope, all I can say is that there is a committee, and it functions with the ministries of Natural Resources and Agriculture and Food when applications are made with respect to agricultural land. Where the application is found in the affirmative, they are able to sell that land to the applicant if it's shown that the land is good for agricultural purposes.

Mr. Pope: The next point I want to discuss is whether you foresaw—and I believe this is a planning function—a greater involvement of the ministry in setting development conditions for companies and individuals who are given timber licences, cutting licences, exploration licences and mining licences. I

wonder whether your ministry is prepared to attach, as a planning function, conditions relating to the location of such things as research facilities, product testing facilities and the location of processing plants.

I want to know how you foresaw the role of the ministry in attaching these kinds of things as conditions to licences and whether you perceive any evolving attitudes in your ministry, whether you're going to change some of the existing policies and what your thinking is personally on it at this time. How far in do you dig?

Hon. F. S. Miller: It's a difficult one to answer clearly and to say a policy always applies. If we look at a mill recently put back into operation in your general area, we are going to have a requirement that the mill be in a certain community because we need employment in that community and because the mill licence originally related to that community. We felt that community had a right to have the employment.

It's pretty hard, though, to be able to set conditions as rigidly as that. If you looked at processing, for example—particularly mineral processing—you could go to your riding and see probably the greatest single beneficiary of an enlightened provincial processing allowance—your city of Timmins. I wish there were more communities in the north—we didn't rehearse this, I want you to understand—

Mr. Foulds: Not too much!

Hon. F. S. Miller: It's true.

Mr. Foulds: It's a setup.

Mr. Turner: He's telling us it isn't.

Hon. F. S. Miller: But that's one of the areas—one of the few areas—where major decisions have been made on processing sites in Ontario since the 35 per cent maximum rule applied to processing and fabricating plants in northern Ontario, and perhaps is the most encouraging sign that it works.

I have heard somewhat bitter comments from industries in our neighbouring province that if we had not done this, the zinc would not be processed in Timmins; it would be processed elsewhere; and that it was unfair ball to have given the company tax incentives which caused it to locate in northern Ontario.

I never got such a resounding approval for my policy in my life as that complaint. It's basically saying what we've been trying to do: "You stopped us from getting it. The company went to Ontario and to the north and had you not done this, because our province didn't, we would have got that business." I heard that from a major industrial

head. I think that while he saw it as a complaint, I saw it as a glowing testimonial.

Mr. Foulds: Did you get that in writing? Have you got it framed in your office?

Hon. F. S. Miller: I think you will find we even have that in writing somewhere back in the minister's days of 1974.

Mr. Vice-Chairman: I wonder if I could ask the committee to bear with me a moment. We're meeting today until 12:30 and tomorrow morning from 10 to 12:30, and I hope by that time we can have the estimates put through. I would ask the members to guide themselves accordingly if we wish to proceed in the right way.

Mr. Foulds: On that point, Mr. Chairman, while I don't want to intervene in any member's right to participate in the debates, there are two big items towards the end, mineral and forest management. I wonder if we could agree among ourselves that at least we could get to the end of vote 2403 by the time we adjourn today. We could then split tomorrow between mineral and forest management and be able to spend at least 1½ hours on each of those two major items.

Mr. Vice-Chairman: If I may, Mr. Foulds, I'll leave this up to the committee to decide. How about you suggesting which ones we should vote on? If we're just going to deal with items that aren't going to matter, we're going to waste time. Would it not be better to pick out the items you really want to discuss? Is this satisfactory to the committee? I'm new here and I don't want to rock the boat. But there's no sense in listening to something that nobody else wants to talk about.

Mr. McKessock: Mr. Chairman, perhaps everybody could speak on whichever part of the vote that's left, or on any of the votes, because there is very little time left.

Mr. Vice-Chairman: Sure, rather than than us discussing something that is not going to make any difference anyway and wasting time. I'm just talking about time. You can talk as long as you want on any subject, if it's that important to you. But I'm saying in the interest of getting things done, I'm saying we should concentrate on the really important items. Do you want to talk to item 6, sir?

Mr. McKessock: I can bring it in under that. I want to talk about a specific subject and I won't be too long.

Hon. F. S. Miller: I guess I'm looking for clarification too. I'm here for as many hours as the committee has. I would rather you talked about things you feel are most important—the kinds of things Mr. Pope was talking about. They really are the very items you

are concerned about; they are dealing with mineral and forest policy.

I don't care which way the chairman rules, if he has to rule. You can choose the vote that you think is the right one we should be looking at, or you can do it now, which is to talk about future votes under current votes.

Mr. Pope: It's the same thing.

Mr. Vice-Chairman: What I am trying to say is that if you have some item in which you are very interested and some member talks too long, you may not get enough time because we have to go by a tight schedule. In that way you are going to shut out and will not get the opportunity to speak because the time will have elapsed. It is not the Chair's intention to stop anyone from speaking. I am asking you people if you have some specific items. If you want to pass the ones that are satisfactory and get on with the main items, you can spend an hour and a half discussing one item if you think it's important. Is this to the satisfaction of the committee?

Mr. Foulds: If I might, I'd like to give the committee notice that I'd like to put forward a question or two on field offices in this vote. I'd like to deal with fire protection for 10 or 15 minutes and with conservation authorities—

Mr. Vice-Chairman: Mr. Foulds, I think Mr. McKessock wanted to speak.

Mr. Foulds: I was just letting the committee members know the items I wanted to talk about.

Mr. Vice-Chairman: We can pass the other ones and then you can spend more time on them.

Mr. McKessock: Thank you, Mr. Chairman, you can call this whatever you like. It's probably forest protection under the next vote, but anyway—

Mr. Vice-Chairman: You're not finished, Mr. Pope?

Mr. Pope: No. I want to pursue these processing conditions in your arrangements or licensing of natural resource industries. I understand what you're saying, and certainly the Timmins area has been the major beneficiary in both mining and in lumber with waferboard and pressboard products and the processing of zinc, and to some extent, copper. But are we going to get to a stage where your ministry is going to go beyond that?

[10:30]

Hon. F. S. Miller: I hope not, in the sense that I don't foresee us becoming the managers of industries, but I do see us entering a new role relative to the forest products people in terms of general guidelines. I think that's one which I'd rather hold my response to until

we're talking about the forest industry per se. A mine doesn't have a heck of a lot of choice about where it locates its basic shaft.

Mr. Pope: Except that it does have a choice as to where it's going to employ its head office personnel, its research personnel, its marketing personnel and so on.

Hon. F. S. Miller: Absolutely. Again, those kinds of things have been talked about in the House of late regarding Inco. There are completely different attitudes towards the control that government should have. I think it is pipe-dreaming to try to assume that this or any other country, with the possible exception of the United States or the Soviet Union, simply because of the size of its market or the size of its resource, can dictate all the conditions to the larger corporations in terms of the location of their facilities. I think we can influence the situation by making it attractive for them to do their research here and to have their head office here; we can play with it through certain tax adjustments.

My job, though, would be to get the most jobs in Canada, the most value added in Canada, in a situation where we know some of the decision-makers are free to ignore Canada altogether, if they wish to. That means you can't have a rigid policy applicable blindly to all sets of circumstances. You have to assess coolly when you can play poker and demand that the processing of, say, the platinum group of metals must return to Canada by using section 113 of the Act; or, when you decide that if you do it, you're going to lose the whole darn thing. On that, I think we will perhaps have some ideological differences. I don't know.

Mr. Foulds: Neither do I.

Hon. F. S. Miller: But I think one has to realize that all three parties probably would agree on one thing: We want the most Canadian jobs possible out of our resources. If they are non-renewable resources, that's critical; if they are renewable resources, we also want the best management plan to ensure there will be resources there for future harvest.

Mr. Pope: I understand all that.

Mr. McKessock: No, I don't think you do.

Mr. Pope: But I do, I do.

Hon. F. S. Miller: No, no. He's a member of my party; so he obviously understands.

Mr. Pope: What I'm trying to get at, for instance—and I'd get strangled if I were in caucus now—is that, surely, if there is research in processing techniques and in products for the nickel industry, that research should be done in Sudbury rather than in Mississauga.

Hon. F. S. Miller: As chairman of a committee trying to help secondary industry move to Sudbury and to the north, I can accept the principle. I'm not sure that I can effect the outcome yet.

Mr. Pope: That's what I want to get into. Within the context of the encouragements you're trying to give to natural resource industries to come into Ontario and to develop in Canada and in Ontario, are there regional development patterns that you try to enforce in using your licensing powers? How far do you go with enforcing them or encouraging them?

Mr. Foulds: Mr. Chairman, with great respect to the hon. member, on a point of order: The research and analysis vote isn't the item under which to discuss this. We delineated very carefully the other night what this particular item was. It wasn't the research that is going into the processing of either minerals or forest products. It is my opinion that this discussion more properly should take place under vote 2404, and that we should quickly pass this particular item.

Mr. Pope: All right. If we're going to get into it in these terms, I've sat through a lot of estimates committee meetings and I've seen people go all over the place. I have been denied opportunities to speak in listening to other people wander all over the map—not on this ministry's estimates, but on others. I've listened to opening statements that might as well have been filed for the record, if that's what their purpose was.

Quite frankly, I know what's going to happen. We're going to come in here tomorrow and discuss mining and forest management, and I'm not even going to be able to get on. Now who are we kidding? I come from a natural resource area of this province and I want equal time, if that's what it's going to get down to.

Mr. Foulds: We might do it in a parliamentary way if you knew the processes of the Legislature.

Mr. Pope: This is a planning function of the ministry administration.

Mr. Foulds: That's not what we're on.

Mr. Pope: There is nothing more critical than a planning function in the ministry. We are on analysis, research and planning.

Mr. Foulds: We're under vote 2401, item 6, and that's not the planning we're on. If you had been here the other night, you'd understand that.

Mr. Vice-Chairman: I don't think Mr. Foulds wishes to get into an argument. In all fairness, I think the Chair makes the

ruling. The Chair has not ruled you cannot speak, Mr. Pope, and I think that's a false assumption on your part. If you wish to proceed, go ahead; but, as I said, we have only two and a half hours. I don't want to argue about the point, but every member can speak as often and as long as he wants. There are no such things as restrictions.

The suggestion was made, I guess, in the sense of guidance on the basis of experience—I hope that is the way you accept it; that is the way I accept the guidance from Mr. Foulds—because he has been here a little longer than perhaps you and I have.

Mr. Foulds: If Mr. Pope feels so anxious, I think we should let him proceed.

Mr. Chairman: Mr. Pope.

Mr. Pope: I had asked my question. By the way, it was my last question; but that doesn't seem to matter.

Hon. F. S. Miller: Was that your last question?

Mr. Pope: It is.

Mr. Vice-Chairman: Mr. McKessock?

Hon. F. S. Miller: No, I haven't answered.

Mr. Vice-Chairman: I didn't know. Are you mad too?

Hon. F. S. Miller: No, no. One needs to be just a bit mad to be a minister.

Mr. Vice-Chairman: I'll buy that.

Hon. F. S. Miller: I guess I'm more concerned about whether it's Mississauga versus Sudbury. That's of importance to all of us to a degree. What may be of even more critical importance is whether it's New Jersey versus Mississauga or Sudbury, or whether it's some other location outside of Canada.

Research is like any other business today; a lot of it's done in relatively large, central locations. I haven't yet come to any conclusions that we should be so restrictive in the licensing of mineral operations that we should spell those things out. What we have done, up to date, is we have not permitted certain of those as tax deductions if they're outside of Ontario. Whether that's right or wrong, time alone will tell us in an analysis of that very fact which is going on now. We have tried to encourage, rather than legislate, these activities in the north through the tax route.

We may need to go further. When you talk about the northeastern Ontario strategy or the northwestern Ontario strategy, that's where all ministries get together and determine whether government on the whole should be going further than it is to encourage either secondary industry or those support functions like research, either by

legislation, regulation or incentive in the area most in need.

At the same time, it is a bit frustrating for some of us to find that the very places we can't fill jobs are in the north. Whether I like to admit it or not, if you find out where I can't get a supervising forester, it isn't in Toronto, where we have no forest to supervise; it happens to be up in some of the communities up north for some reason or another—perhaps his wife or the forester himself isn't willing to go there because of lack of certain facilities. Timmins wouldn't fall into that category, nor would Sudbury. But there are certainly towns not too far from them that do.

Mr. Vice-Chairman: Is it safe to say that you have finished?

Hon. F. S. Miller: I have finished.

Mr. McKessock: Mr. Minister, I have a problem which I know doesn't relate only to Grey riding but to all of Ontario, and that is the forest caterpillar. There has been extensive damage in our area this past year.

I noticed in your opening statement you mentioned that increased funds were going to be allocated for forest management this year. This sounds good, and I hope it means there could be money spent on spraying the forest caterpillar in Grey county.

The ministry has said for years now that the caterpillars would go away or run out their cycle, but the farmers haven't been so optimistic about this and they have been saying this is not going to happen.

It has been only this year, after continued complaints from the forest owners, that the ministry, I hope, has agreed to have a look at the problem. I have been contacted by forest owners in Holland and in Euphrasia townships for the last two years pertaining to the forest caterpillar damage. This year, on August 26, Maurice McInnis, in Euphrasia township, insisted that I visit his bush, which I did. When I arrived there early one morning there were 10 other farmers waiting for me, along with Mr. McInnis.

On visiting the bush, we found certain areas that had a large percentage of tree kill. Trees were dead. Dead trees in great numbers were spotted throughout the entire bush. Mr. McInnis, who burns wood for fuel in his home, told me all dead trees had been removed two years ago. Trees had been weakened for several years in a row and are now dying. Not only are there more trees dying than Mr. McInnis can use, but it is thinning and leaving dead areas in his bush, which previously was a dense bush.

The Ministry of Natural Resources people who inspected the bush said damage from caterpillar was serious and disastrous in this area. I believe they admitted that the caterpillar in this area had changed their previous theory that the caterpillar cycle would disappear on its own without leaving permanent damage.

We have watched our elm trees disappear completely in the span of a few short years, Mr. Minister, and I wish you could have seen this bush because it would scare you that the same thing could happen to the maples. I want to urge you to make the necessary arrangements to allow this area to be sprayed in the spring of 1978.

There is an article here in a paper that says: "Caterpillars defoliate the trees, but rarely do they kill a tree. If they did, then they would die themselves, because they depend on the tree to supply them with nutrients." This is not so, because the caterpillar will move on to the next tree. When there's 700 or 800 acres of bush in an area such as the one I am talking about, owned by several different people, there's more foliage when they finish one tree.

I also received a letter from the township of Euphrasia and an enclosed resolution, a copy of which I assume you have received as well, but I would like to read it to you:

"The attached motion was passed by the council of the township of Euphrasia on September 6, 1977, after being presented with a sample of the destruction the forest caterpillar can cause. The cost of spraying is prohibitive to most farmers and, without controls initiated, soon it would appear that the maple trees may be destroyed."

The resolution reads: "Whereas the forest tent caterpillars are spreading through the maples in the forests, stripping leaves and bark and finally killing the trees, therefore be it resolved that this council request a grant from the province of Ontario to assist farmers to spray the trees in an effort to control the caterpillars and save the forests; and further, that this resolution be forwarded to Grey county council for endorsement, the Minister of Natural Resources, and to Mr. Bob McKessock, MPP."

[10:45]

I understand that Grey county can expect a high infestation of caterpillars in 1978 as determined by your ministry's caterpillar egg count for hatching next year.

Leaves have been stripped for four consecutive years and in some cases seven out of 10 trees have died in the area I'm talking about.

I understand the Ministry of Natural Resources has told Grey county it doesn't know when the forest caterpillar will leave the area.

A report, published recently in the local paper, states: "In a report, council was told Grey [county] could expect a high infestation of caterpillars next year in Sullivan, Keppel and perhaps St. Vincent townships, according to the Ministry of Natural Resources' egg count."

That doesn't mention Euphrasia township, the township I was talking about.

"The ministry based the prediction on a survey of egg counts. Sheumas Fay, Sullivan township deputy reeve, informed council that the ministry predicted two years ago that the tent caterpillar went in two-year cycles, then disappeared. 'I guess the caterpillars have changed their mind,' he said.

"On some woodlots, the leaves had been stripped off for the last four consecutive years, the report said. Two woodlot owners, Jim Johnson and Maurice McInnis of Euphrasia township"—he's the one I visited and I know people from your ministry and the federal Department of the Environment also have been there—"reported to the council's agricultural and reforestation committee that in one bush lot seven out of 10 trees of all sizes had died.

"James Milliner, Proton deputy reeve, told council the ministry has now told the committee it is not known now when the destructive pest will indeed be finished in this part of Ontario."

I also have a petition here from the farmers in this area which I'd like to read to you.

"We, the undersigned, petition the government of Ontario to take action in the spring of 1978 to spray and control the forest caterpillar in our area of Grey county where the caterpillar, in 1977 and preceding years, has caused the weakening and killing of a large area of bush.

"This bush was inspected in August 1976 by the Ministry of Natural Resources staff in Owen Sound (John Christie, John Lambie and Mike Prevost) and the [federal] Fisheries and Environment staff (Mike Applejohn) and Grey riding MPP Bob McKessock. A large percentage of kill was witnessed and a large egg count for the 1978 season was found. On the trees that had some leaves left the foliage had been greatly reduced and leaf size was found to be one to one and a half inches instead of the normal four to five inches."

I also brought a sample of the leaves I got that day, to show you how the size is

reduced, and some of the eggs. I'd like to present this petition to you as well as this evidence.

Hon. F. S. Miller: I assume you fumigated them first.

Mr. McKessock: I want to make sure these don't arrive back in Grey county in the spring.

Hon. F. S. Miller: There's some clover in there too.

I don't know that anyone really needs to tell me the problem of the army tent caterpillar. I don't know of any riding that was affected this year more than my riding—and it happened at the height of the election campaign.

Apart from the defoliated forest, which seemed to know exactly where the edge of my riding was—the worms stopped right at Haliburton—we had literally millions and millions of them crawling across highways. I knocked on doors where houses were black with these worms. This is the third summer it has happened in Muskoka and part of Parry Sound.

I'm keenly aware of the problem. One of my staff can talk about the technical details of it. In the course of the election I had cause to respond to the kinds of problems you talk about.

We have several major principles to consider first. When you have an infestation of crop on your land, you are responsible for the spraying. Up to date, in this kind of control, private land has been managed by private people, not by the state. I would assume it would require some major change of policy before the province sprayed. One reason is that we can't assume all the neighbours want it sprayed. When the state did some spraying on its land in my area, the first reaction was a violent one from the people who are opposed to spraying and who own adjacent land. At the height of a problem like this, there's a rapid determination to kill the sons of—

Mr. Foulds: Little fellows!

Hon. F. S. Miller: That's what I was going to say—thank you—without any regard to the effect, of the possible effect, of the materials being used. While we talked at great length about the kinds of chemicals or the kinds of bacteria used—I believe we've used a bacteria-based spray which causes the mandibles of the worm to be infected so it can't eat and starves to death—there were chemicals being used which were examined by such eminent experts as Dr. Patrick McTaggart-Cowan, who happens to live in my riding and who is head of the

Science Council of Canada. He is a former head of Simon Fraser University, a man who has spent a lifetime worrying about this kind of thing. It was discovered that some of the chemicals being used don't have the tests done that we've become so determined should be done in advance of mass spraying.

Secondly, is it necessarily a provincial responsibility to share the cost of protecting private land, even if that is assumed by a government? Or should the municipalities be involved in it?

Thirdly, should the private land owner be prepared to pay some, if not all, of the cost? If he's paying some, what share?

All these are questions that were raised, and things I talked about with my municipality. At one point we suggested we might consider a 1:1:1 cost-sharing on certain lands. I believe the cost was about \$10 an acre to spray the land. If the person felt it was worth \$3 an acre to have the land sprayed, perhaps the township should pay \$3 and the province should pay \$3—or something of that order.

It is a serious problem. Let me not underestimate it. I think we still have something to learn about the question of the death of the trees. The cycle has to be learned about. Some of our people felt, however, that all you were effectively doing by spraying, particularly after the leaf comes out—and that's really when the bugs are moving around, isn't it?—is making them move on to the next fellow's land. As you mentioned, they actually march. That's where they got the term "army worm" from.

What appears to be an easy solution may, in fact, not be.

The other concern we have is, what do you really do? Of all the forms of life we've studied, insects have the greatest ability to adapt to chemical warfare. What are you doing to the insect and plant world in the process? Are you causing mutations or transformations in the basic insect that can give us something that can't be dealt with in any circumstances? These things are very real issues.

What appears to be the kind of reaction you get is a hysterical reaction. I had people in the lodges pack up on May 24 and go home—not my lodges; we live in a very low, marshy area in one lodge and for some reason or other they don't come down to the low land; they take the hills first. And they don't like soft maple; they like hard maple and a few other species in advance of the soft maple. At least, that's what they seem to like; and, luckily enough, I have a lot of soft maple.

Sure, it was a very real economic problem. It was a very real emotional problem. A woman who looks at her house, coated or actually hanging with these things, doesn't really feel too happy. I can only tell you I was personally held accountable by a good number of voters in my riding.

Mr. McKessock: Do you start squashing them?

Mr. Foulds: Have you experimented with fire control on Crown lands?

Hon. F. S. Miller: Let me ask Mr. Fullerton to come up here for a second, because I would rather have accuracy in the answer than my attempts at—

Mr. Foulds: It's the only question I have on the topic.

Hon. F. S. Miller: The cycle in the past has been peaking in around a three-year period, I am told.

Mr. McKessock: But your ministry people have agreed now that it isn't working—in this area, anyway.

Hon. F. S. Miller: Is it like the spruce bud worm, where we appear perhaps to have prolonged the cycle by any attempts we've taken? We don't know.

Mr. McKessock: We haven't made any attempts to correct it.

Hon. F. S. Miller: We tried on Crown lands—it's one of the things we're studying—where we had the right to spray.

Mr. Fullerton: Mr. Chairman, the forest tent caterpillar has been uniformly cyclic since records have been kept. The obnoxious part of the cycle has been three years almost exactly, uniformly, throughout the cycles that have been studied.

The reason for the sudden demise of the insect is a parasite, a natural parasite which manifests itself as a big, hairy fly. About the second year of the infestation there's a large number of these big, hairy flies—they look like a house fly—and invariably the rumour goes around that we've liberated some Japanese flies or some Siberian flies.

Hon. F. S. Miller: It's going around so well that I've started taking credit for it.

Mr. Fullerton: Mr. Minister, I hope I'll still have my job if I say that it's a perfectly natural parasite. The population of the fly follows the population of the tent caterpillar.

What has prolonged this particular infestation is a piece of unique weather three springs ago. What happened was that we had some very warm weather on the Easter weekend and the insect emerged from its egg mass and started to feed, but there were no leaves for it to feed on because of this unusually

warm weather. Then, the insects were killed by frost, which had the effect of prolonging the infestation by one year.

It's true there are high egg mass counts in the Grey county area and throughout Muskoka too, I'm sorry to say. We expect that a large number of these eggs are already parasitized and that the infestations will be much less this coming year and, hopefully, will collapse as predicted from the study of previous outbreaks.

Mr. McKessock: What do you mean by parasitized?

Mr. Fullerton: This big, hairy fly has laid eggs in the adult. The eggs that were laid by the adult will not, in effect, hatch or will hatch with insects that have a parasite in them which will kill them before they grow to their full size next year.

Mr. McKessock: This fly, you feel, has attacked the caterpillar so that their eggs won't be normal eggs. Is this what you're saying?

Mr. Fullerton: That's right.

Mr. Foulds: It's an egg within an egg.

Hon. F. S. Miller: It's like getting a germ within your body that's going to kill you before you get to maturity.

Mr. McKessock: You're looking for that to happen this year?

Mr. Fullerton: We're looking for the infestation to collapse this year.

Mr. McKessock: Did you look for that to happen last year as well?

Mr. Fullerton: Yes, we did. But, since we're looking at a fourth year, which is unusual because it hasn't happened in the past studies of outbreaks, the explanation we have is that the first year it really didn't get going because of the unusual weather phenomenon where the number of the insects killed had the effect of putting back the infestation one year. We're quite confident that the outbreak will collapse.

[11:00]

Mr. Minister, there is another problem in Grey county particularly. The particular woodlot you mentioned has been studied by our field staff and our specialists from head office here, Dr. Carrow and people from the insect lab in Sault Ste. Marie. I think it's fair to say that there's a complex of organisms working on those particular woodlots in Grey county where there is high mortality of maple. Certainly we found armelarie mellia, a root rot, and several other pathogenic organisms there; we're not quite sure what's going on but it's being studied actively.

Mr. McKessock: I understand the caterpillar could have weakened the trees enough over the last four years that these other infestations could enter in. Is this correct?

Mr. Fullerton: It's quite possible. Certainly the observations of leaf size and what not are typical, and the trees are weakened by successive infestations of tent caterpillar. From previous outbreaks, we're not aware of this type of dramatic mortality that is occurring in Grey county, so it's hard for us to believe that's a simple, logical conclusion to draw. We think it's more complex.

Mr. McKessock: I was wondering whether you could spot-spray those areas. You say you expect them not to mature next year but if, in fact, they do mature, you'll have a chance to see and observe that before the trees are destroyed.

Hon. F. S. Miller: Can I interject there and say that in Muskoka this year a great deal of spot spraying was done? There are companies available to do it and the cost currently is about \$10 an acre. It may even be a little lower on large quantities; I don't know.

Mr. Fullerton: I think it was about \$6 last year, sir, for the large program we had.

Hon. F. S. Miller: Yes, \$10 was the price they would charge to groups of cottagers who would say, "Spray our point here," or "Spray our woodlot" or whatever it might be. I'm not ruling that out, I want you to understand that. Being as familiar as I am with the problem, I only suggest to you that you talk also to the townships; and if there are special problems in these woodlots that may be unrelated to the tent caterpillar but for which the tent caterpillar is being blamed, perhaps we need to take a good look at this to see if we should remove a variable at least on one or two of them on a trial basis. Okay?

I would be happy to have you and my staff look at the specific case you've talked about because of the factors that Mr. Fullerton is talking about, the other parasites or other diseases of trees that may also be rampant in that area. Let us coolly appraise it and see whether, in fact, we should do it and whether we should contribute perhaps a part of those costs on an experimental basis.

Mr. McKessock: I appreciate that, Mr. Minister. I would just like to point out the difference between a bush lot and a farm crop. You mentioned that farmers spray their own crops; but nobody except the farmer loses if a farmer doesn't spray his crop. It's his crop and if he doesn't spray he can lose

his crop. His neighbour, however, can still spray his own crop and save it.

With the forest, it's a different thing. We have trees all along the road which we don't want to lose and we have Crown land and we have forests. It's just not all the farmer's responsibility to spray his trees because this problem definitely can spread to township roads and so forth.

Hon. F. S. Miller: I'm not arguing, but I'm also saying it's not solely the province's responsibility. In fact, to date, by law, it has not been the province's responsibility at all, and some of the legal problems were very real. Rather than take more time on it, let's agree that this specific area will be discussed with our district staff.

Mr. Fullerton: Yes, the field staff in the district are well aware of the problem and are working on it.

Hon. F. S. Miller: We've also learned a bit from some of the Crown land spraying in the last year. I know a number of pictures were being taken of park reserves and so on, and management units and resource units that we had, to give us some idea, on a straight experimental basis, as to whether or not it was performing a useful purpose. Okay?

Mr. McKessock: Thank you, Mr. Minister. Thank you, Mr. Chairman.

Mr. Foulds: Can I have the answer to the fire control question? Are you looking at that as a control measure for such infestations on Crown lands?

Hon. F. S. Miller: Do you mean burning the whole place down—a complete raze of the area? Fire control in what sense?

Mr. Foulds: Using fire to combat them in whatever way you wanted.

Mr. Fullerton: No, sir, we can't find any useful purpose for fire in the control of this insect.

Mr. Vice-Chairman: Shall item 6 of vote 2401 carry? Carried.

As instructed by the members of this committee, we'll consider items 7, 8 and 9. If there are any specifics, you can state them.

Any questions on items 7 and 8? Items 7 and 8 are carried.

Mr. Foulds: I have just one question on item 9, although it's a huge item and probably the major delivery point of services by your ministry. How are the field officers affected by the reorganization you mentioned in your opening statement?

Hon. F. S. Miller: Hopefully, they are strengthened and affected very little in form. I say strengthened in the sense that if there

was, say, a grass-roots request for an improvement in the organization of the ministry, it sprung from the field offices and, to a degree, from the regional offices. Under the original plan in 1972, when the ministry was formed, it was assumed that it would be a decentralized decision-making ministry, with its offices out in the field and with authorities granted to the district managers. In a large part, that was successful. But staff members made what we thought were appropriate comments about duplication, paper work, lack of clarification in the authorities of people and the feeling that staff positions at head office, in fact, were often decision-making points rather than advisory points.

It was on the basis of these comments from members of our own staff that we began a review of the functioning of the ministry. One of the first questions the deputy asked me in front of the regional managers back in April, I would guess, was whether I, as a minister, could live with decentralized decision-making, because if I could not there was no use proceeding down that route.

You realize that the political process tends to centralize decision-making, because the minister is held accountable in the House every day of the week for decisions made elsewhere; so ministers, to protect their backsides, often decide the decision should be made near them. I concluded it was better, if you as a specific member asked me about a specific decision in your riding, for me to say, "Frankly, I will have to contact the district manager and learn about it," rather than try to have the reins in my own hands here for specific local matters.

On that basis we then proceeded, after giving to the staff this guidance that I could live with it. The deputy and other staff proceeded through the summer to re-examine it and, hopefully, to strengthen it, without altering very much, if at all, the physical make-up at the district level in the field—to strengthen their decision-making capabilities and reorganize the advisory staff groups to match it.

Mr. Foulds: Could I legitimately conclude that people having requests of your ministry can expect faster decisions from field offices? And is it legitimate to say that, by and large, that's where the buck stops; that the decision is made there and unless there is extraordinary reason, it isn't second-guessed here?

Hon. F. S. Miller: Let's look at the political process again and realize that every single member is going so say, at times, that

the decision made by a district manager doesn't suit his constituent, and therefore the minister must review it. That weakens the process.

Mr. Foulds: Yes, I understand.

Hon. F. S. Miller: But it is one I don't think you are ever going to do away with. The real issue will be—how often do I interfere? To say I won't is ridiculous.

Mr. Foulds: Of course.

Hon. F. S. Miller: And to say you shouldn't come to me is ridiculous. But we have to realize that it is better to let a few mistakes be made and to have only a few appeals than to have the whole process bottled up by having lack of discretion at the local level.

Mr. Foulds: Absolutely. So what I can legitimately conclude from that is that you would try to keep those to a minimum?

Hon. F. S. Miller: I will if you will.

Mr. Foulds: That is fair enough. I would rather work through the district managers myself.

Item 9 agreed to.

On vote 2402, land management program:

Mr. Vice-Chairman: Items 1, 2 and 3.

Mr. Foulds: I wonder if we could take item 1 separately and then 2, 3 and 4 which look as if they are more naturally linked?

Mr. Vice-Chairman: How does the committee feel?

Item 1 agreed to.

On item 2, forest protection:

Mr. Vice-Chairman: A question, Mr. Foulds?

Mr. Foulds: Yes. How much did you save this year because the fire threat we expected in the spring didn't materialize as greatly as we anticipated?

Dr. Reynolds: Mr. Cleaveley, could you give us some precise numbers on that? I don't know whether all the accounts are necessarily available.

Hon. F. S. Miller: Can I say in advance I don't know how much we saved; I can say how much we underspent the moneys already allocated. Last year we allocated \$14 million in the basic budget, if I recall, and ended up spending \$35 million; we spent \$21 million more than we planned. This year I believe, we spent a little less than we planned but when Bill gives you the figures you will realize that it is difficult to prove that all the moneys passed through this vote were spent fighting fires, because I suspect

we used the people on staff to do other things after I did my rain dance.

Mr. Foulds: Would you like to answer the specific question—now that the minister has confused you, Mr. Cleaveley?

Mr. Cleaveley: I don't think he has confused me too much. I think we are partly talking about the enhancement this year which was added to our basic appropriation, which is fixed money. The basic appropriation is pretty well fixed money but regardless of the season, we spend so many dollars for fire protection.

This past year for various reasons we added to that amount of money and the fire season turned out somewhat different to what we had planned for. Significantly, we had more fires than we would normally have—even through this year. And we have burned a considerable amount of acreage as well. So, in fact, I think we did save some money. If I am not mistaken, I believe in the general area of perhaps \$1 million was not fully committed because of the reduction in the fire program towards the end of the summer.

Mr. Foulds: What happens then—this may be a question the minister has to answer—when it is not used for that specific purpose? Do you have the authority to rearrange it in your budget?

Hon. F. S. Miller: I don't think we do. The deputy would tell you the machinations. We usually go to Management Board if we have to make some switches.

Dr. Reynolds: Actually, Mr. Foulds, of the enhancement money, which is in the order of almost \$7 million—used primarily for support structures, for better detection, more fire crews, more units and so on—much was locked into salaries and equipment and that sort of thing, so there wasn't much that could have been saved directly. That was really focused on early detection and fast suppression. In other words, we might have lots of fires but hopefully the average acreage burned would be much declined—and that is indeed what happened. There was an obligation—there always is in fact—because we cannot switch money between votes or even, I guess, between activities without Management Board's approval. These unexpended funds were, in fact, impounded.

Mr. Foulds: Oh, they were? You didn't get to use them for additional research, for example?

Dr. Reynolds: No, we didn't.

Mr. Foulds: In fire protection?

Dr. Reynolds: No.

Hon. F. S. Miller: Don't forget that during the year a number of mid-term constraints were applied to ministries. Management Board was looking for the kind of money which the deputy's talking about or, in the event of capital funds, even those that hadn't as yet been committed in an attempt to bring the budget into line with the reality of the income.

Maybe Bill would like to tell you about our first all-female fire crew, too.

Mr. Foulds: No.

Hon. F. S. Miller: You didn't really care about that? You didn't really want to know about that?

Mr. Foulds: I know that that's the kind of thing that would titillate the minister and immediately come to his attention.

Hon. F. S. Miller: Yes. It does and I'm glad it does.

Mr. Foulds: So am I—for your sake.

Ms. Bryden: Does the minister know how he stands on the index of segregation in the women Crown employees report?

Hon. F. S. Miller: I talked to my affirmative action director yesterday—and I recognize that the Ministry of Natural Resources is not the most fertile area in the world for that kind of program to go on—but I think she feels that within the limitations that a man's world has on it, they've been doing reasonably well.

How we've been indexed by the office in TEIGA, I don't know.

Ms. Bryden: I'll have to look up your rate for the next sitting of the committee.

Hon. F. S. Miller: In Health I was doing a great job but 88 per cent of the employees were female. It's pretty hard to generate female foresters overnight if they haven't been around through the courses.

Ms. Bryden: There is a great increase in the number going through for forestry now.

Hon. F. S. Miller: We have certain rules. Mining, I think, prohibits females underground.

Ms. Bryden: Maybe that rule should be looked at.

Hon. F. S. Miller: No argument. If you go into Inco you'll find female employees above ground in the mills but you won't find them underground.

Ms. Bryden: I think some provinces do now allow them underground.

Hon. F. S. Miller: Yes. I have no problems living with that. I can only tell you we've run into some wives who are not so keen about some of these arrangements.

Mr. Foulds: I wonder if I could just follow with one more question on the forest protection item?

Have you given any additional consideration with regard to the infrared units you used a year ago? Have you entered into a consortium with other provinces for that kind of use?

Hon. F. S. Miller: The spy in the sky?

Mr. Foulds: Yes.

Mr. Cleaveley: I think it's fair to say that you're utilizing the mechanism—and not in a very large way. We have one aerial unit and some ground units.

Mr. Foulds: You use ground units as well now?

Mr. Cleaveley: Hand-held in some cases and they can be used in other ways as well. We're going ahead with the program as its use is indicated. It's an expensive program when you get into infrared equipment. The Canadian Committee on Forest Fire Control—which you're probably aware of—

Mr. Foulds: Yes.

Mr. Cleaveley: —keeps everyone informed of activities in this area. If anything develops that's new or looks useful, we are certainly involved in it. I have no knowledge of any major expansion in that area at this point.

Mr. Foulds: You mentioned the expense involved in it. Does it help dramatically enough in early detection to balance out the expense?

Mr. Cleaveley: We've used it primarily in the mapping mode. We've also used it for detection in situations where smoke and other things obscure the ground from the air. It penetrates smoke, as you know. But basically it's a mapping device, used both during the fire and after, to get an accurate picture of it. Certainly, during the fire it's useful to show our fire bosses and our people on the ground where the fire is at any given moment. I think that's its basic purpose.

Dr. Reynolds: At this stage of experiment and design and research, one hesitates to put a lot of money into it until it's further refined or proven. But we have enough equipment. I'm convinced we are either going to prove to ourselves that it's worthwhile putting more money into it or stop and go in a different direction.

It is costly. The hand-held ones are great, for example, for mop-up operations or controlling a fire line after you think the fire's out. It's like a lot of other things: How much is advertising, how much is insurance? You

can't judge what it has been able to accomplish for you when it didn't happen.

Mr. Foulds: As I understand it, in technological development, it's where the TV videotape was 10 or 15 years ago. You may or may not be at the point of a breakthrough in lessening the cost of the equipment.

Dr. Reynolds: It's coming, it's moving along. I think it has a great future, but it's still highly experimental and highly costly.

Mr. Foulds: Thank you very much, Mr. Chairman.

Mr. Lane: Mr. Chairman, just a clarification or a question of information on forest protection. Two years ago I know we had a tremendous loss from fires. I'm just wondering if it's too early to have any evaluation on what percentage of benefits we may acquire now from reforestation of these lands that were burned over. How many years does it take? When are we able to analyse our recovery from our loss?

I understand a fire is a fairly good way to regenerate a forest. We had a lot two years ago. How soon do we know what we're recovering?

Hon. F. S. Miller: A fire is a good way to regenerate a forest, the foresters tell me, providing it goes through a forest that is able to reseed itself. One of the problems we faced, of course, if you go to the far north, are a series of fires over short time-spans between which trees have reseeded but have not reached maturity, and therefore haven't cones on them, so there isn't a seed source to help following a fire. You'll see areas north of the fire protection line, or whatever you call it, where there've been successive fires at four- or five- or six-year intervals. These fires can cause a great deal of damage.

In other areas, as somebody said the other day, all the black spruce forests we have are the result of forest fires. Obviously mature forests do come to us through that route. The only problem we have today is that modern forest harvesting techniques don't guarantee the return of the species, such as we used to get through natural events.

To give you an appraisal of the effectiveness of our regeneration on burned areas I will later have to give you some comments from some of our foresters. It's interesting to note, though, that when the risks permit it, the prescribed burn following cropping is often recommended by foresters as the best way to prepare the soil and the seed sources for the new crop of trees. For example, they do it out west almost automatically. But we

have problems controlling fires in Ontario, I'm told; we're very nervous about some of them.

This year we did not too badly with our prescribed burn set-up, did we not, because conditions were reasonably safe? Burning the ground gets rid of the "duff," the stuff you have otherwise to scarify or move in order to get your seed established. I would suspect the forest fire has helped in regeneration. The real problem is what's it done to the crop on the ground. In most cases up to date it's left it, if not useless because of the high carbon content, close to useless for modern logging techniques and shipping.

Mr. Lane: Due to the fact that fighting these fires costs us a great deal of money and due to the fact that we lost a great deal of wood, I'm just wondering if there's any point in time at which you say, "That was the cost and this is the result of the cost."

Hon. F. S. Miller: That's cost-benefit analysis. I don't know that there is one, but I could get our foresters to look at it when we get into that. I don't see an alternative right now if you want to crop the trees. The cost of forest fire management this year is about \$17 million.

Mr. Lane: It would interest me to know. If there are any answers down the road someplace, I'd be interested in hearing them.

Hon. F. S. Miller: Yes. When we're talking about forest management, just pose that same question.

Item 2 agreed to.

Items 3 and 4 agreed to.

On item 5, resource access:

Mr. Foulds: Is the dramatic reduction in the amount because a large part of that budget has been given to Northern Affairs?

Hon. F. S. Miller: My information is that that is so. Is that correct?

Dr. Reynolds: Yes, that's right.

Hon. F. S. Miller: There is \$3,858,000; almost \$4 million.

Mr. Foulds: And that's for the capital costs?

Dr. Reynolds: Northern Ontario resource transportation funds of about \$3.9 million are going entirely over to Northern Affairs. Yes, I had forgotten one of the big items of almost \$6 million is a final payment made in respect to the construction of the Moosonee power line last year. That program is completed. I think it was over a three-year period.

Mr. Churchill: No, we've had only one year.

Dr. Reynolds: Our contribution to that program is completed, so that is not a repetitive item.

Mr. Foulds: I see.

Item 5 agreed to.

Mr. Vice-Chairman: Are there any further questions on item 5?

Item 6 agreed to.

On item 7, land, water and mineral title administration.

Ms. Bryden: I presume that the permit given to Prospection Limited comes under this administration, does it not?

Hon. F. S. Miller: I would think so.

Dr. Reynolds: Yes, it could be.

Ms. Bryden: I believe this very large grant of 1,235,000 acres to Prospection Limited to explore for minerals is the largest grant that has ever been made. I understand that the company, after exploring and spending a certain amount of money, will drop half of the acreage in the first year and its rights will then extend to 617,500 acres. Then it will drop half the balance in the next year. Finally, it will select 10,000 acres from the initial 1.2 million.

This is the sort of grant on which there should have been considerable public discussion before it was made, because it's so large, because it covers very sensitive areas, and because it covers areas where there are a good number of native peoples involved who have certain rights in the area.

The agreement, according to newspaper reports—I have a copy here; I don't know whether there's a date on it—was signed on August 24, 1977, but the public did not really find out about it until there was a story in the Toronto Star.

Hon. F. S. Miller: That's not correct.

Ms. Bryden: Is it not correct?

Hon. F. S. Miller: I'll wait my turn.

Ms. Bryden: All right. That's the first time I heard about it, Mr. Minister.

Hon. F. S. Miller: That's when you heard of it.

Ms. Bryden: I understand the ministry presented a brief to the Hartt royal commission on the northern environment on November 16, but made no mention of this very large grant. It seems to me that the Hartt commission should have been apprised of it at that stage.

Hon. F. S. Miller: It is in there.

Ms. Bryden: It is in the brief? The newspaper story is incorrect, then.

Hon. F. S. Miller: Yes.

Ms. Bryden: I'd like to know at what stage the Hartt commission was notified of the grant since the Hartt commission had been appointed by August 24; whether it knew anything about it before it was granted; and whether the minister doesn't think it should have been consulted and, perhaps, had some input before the grant was made.

[11:30]

I haven't finished all my questions but if the minister would like to answer what I've asked so far, I'd appreciate it.

Hon. F. S. Miller: I'll go that far. First, there'd be some question as to whether we were obliged to tell anyone what we did, apart from the fact that the rights to explore for mineral deposits are open to anyone in the province—I think I explained that in the House on the day this was discussed—anyone may stake any Crown land that is not reserved from staking, without permission. Okay.

In other words, you've never had to have permission to do that.

Dr. Reynolds: You have to have a licence.

Hon. F. S. Miller: Yes, assuming you're licensed to do it. He says you have to be a licensed prospector. I'm assuming any licensed prospector, okay?

We have not frozen any land in Ontario—except, for example, the base of Lake Wanapitei for the time being, or a section of land in eastern Ontario where we had some argument for a short time about the storage of nuclear waste. I think you took that out for a while, or some land in Loon Call Lake area, which we've temporarily reserved.

Usually, there is a specific reason for removing Crown land from the right for mineral exploration. In this case, we felt that rather than have ad hoc exploration from which the province could obtain no benefits because we don't charge for that privilege until one stakes, we could in fact see that the investigation was done in an orderly way and according to conditions we would predetermine.

As I see it, the Hartt commission hasn't been so concerned about exploration as development. Really, that's where the crunch is. What conditions will be applied to development of northern Ontario? We're currently counting trees up in the Reed limits, while the Hartt commission goes on. That's very much akin to a geological survey. We're assessing the potential of that site to provide a resource. If one is found, I assume it certainly would not proceed without, perhaps, the Environmental

Assessment Act being applied, or without Mr. Justice Patrick Hartt's guidelines being in place or whatever may evolve from his commission. So there is nothing incorrect in allowing exploration, which otherwise would have gone on uncontrolled, to be done under a special licence provided for in the Act.

We had learned, we felt, that in spite of our rights we should inform people. I am told Mr. Justice Patrick Hartt was told of this in advance. I think that's correct.

Ms. Bryden: At what date?

Hon. F. S. Miller: I think the date's June, but I can't be sure. June 29. I know that Mr. McGinn, who's sitting beside me now, personally, I believe, visited both bands to discuss it with the Winisk and the Attawapiskat bands even though none of this land touched a registered Indian reserve.

Ms. Bryden: I understand one of the bands was opposed.

Hon. F. S. Miller: That's correct. If you want details, one band later became opposed because I think we saw a change in Treaty No. 9's attitudes across the summer which, in effect, was transferred back to the individual bands, and that is being applied to all resources right now such as wild rice, minerals, trees, fur-bearing animals, fish. I could look at them all. They're simply saying, "These are ours. They're not the government of Ontario's."

I have taken exception to that. The government of Ontario, whether it be you and your party, the Liberals or the Conservatives, is elected to govern the province in the interest of all people. If special attention needs to be given to any special group, it's our duty to see that it's done. I have to say it in the clearest possible terms. This government is responsible for the resource development of the province and if we need to pay special attention to the Indian problems, we shall.

This does not give them the right to remove any assets or resources from our jurisdiction. It certainly puts upon us though, in today's setting, the responsibility to talk to them and keep them informed, and work towards their employment, if employment is to be obtained, to the prevention of the destruction of their culture, if that is still possible—I hope it is—and to any of the other benefits that can accrue to people living in the immediate area.

I think that summarizes it. If Mr. McGinn would like to answer any specific questions you may have about the visits he made to Winisk and Attawapiskat, please pose them.

Ms. Bryden: At what date was the public notified of the signing of this agreement?

Hon. F. S. Miller: Orders in council came through, but we went up in advance of signing it, not after signing it. I think that is the key thing.

Ms. Bryden: Before August 24?

Hon. F. S. Miller: August 24 is an artificial date, because that date is late. It was a date upon which we revised the original order in council to correct an error in acreage. We had overstated the original acreage based upon a quick appraisal in the mapping, I think.

Ms. Bryden: What was the date of the original order in council?

Hon. F. S. Miller: It would have been dated somewhere early in July.

Ms. Bryden: So Mr. Justice Hartt maybe had a week to think about it. He got notice on June 29?

Hon. F. S. Miller: Let me also point out that I have had a number of chats with Mr. Justice Hartt to sense what he feels is within his area of jurisdiction. In the discussions he has been quite quick to point out he doesn't see that he is charged with the responsibility of individual projects, but rather the problem of the north. Having had those kinds of discussions, I felt quite at liberty to be making decisions. The world is not going to stop totally in this period of time.

You are telling me and other people are telling me in the House every day of the week that we aren't doing enough to create employment. I have a responsibility to see we're taking every possible step now to provide employment for the Indians from our resource industries, compatible with our other demands on the environment, as fast as we can do it. So I am not going to stop exploration and I am not going to stop development within the existing guidelines pending any inquiry.

Ms. Bryden: That was certainly the position the NDP took in our brief to the Hartt commission, that development had to go on while this inquiry was there, but we thought Mr. Justice Hartt should be notified of developments and should have a chance to monitor them, possibly through interim reports.

Hon. F. S. Miller: On that basis, maybe I have to reconsider. We would be very foolish to ignore Mr. Justice Patrick Hartt in any of this. I believe if he were here he would endorse the fact that he was informed. He didn't say, "Boys, go ahead," that is not his role. But he certainly didn't say, "I

would rather those kinds of things did not proceed while I am doing my study."

He clarified the issue from our point of view, and left me believing, and I think my staff and other ministers, we had the right to carry on with normal exploration and development, provided we stayed within the framework of the laws, such as the Environmental Assessment Act.

Ms. Bryden: Do you not think there should have been an environmental assessment when you are going to freeze 1.2 million acres?

Hon. F. S. Miller: No, no. The environmental assessment is to protect the environment once we know what we are going to do with it. All we are looking for is potential places to go.

Ms. Bryden: You are going to have helicopters going in and all sorts of activity going on.

Hon. F. S. Miller: Oh, sure. Would you like us to stop the helicopters going to Winisk, or the planes flying in? They have been doing that in the north for years. We are taking mud samples off the bottoms of lakes. We are doing, I suppose, a bit of core analysis. We are doing the research with Indians in Attawapiskat. We have hired the hall from the Indian band—when I say we, I mean the company.

Ms. Bryden: The Environmental Assessment Board would undoubtedly say these activities were harmless—

Mr. Vice-Chairman: If the Chair could interrupt, I would appreciate questions. If we have a debate we will never get anything settled. If you respect the Chair, I think you will respect the other members who are waiting to speak.

Ms. Bryden: Thank you, Mr. Chairman. I have one final question. Could the minister tell us a bit more about the principals of the company, who they are, and whether there are some American interests involved?

Hon. F. S. Miller: If you check back in Hansard you will discover that I laid that right on the line in the House. Prospections Limited was incorporated, I believe in 1962, in the province of Ontario. It is a company in the province of Ontario; it has been operating as a prospecting company ever since. The four principal officers of the company are all members of one family, and Canadians.

Ms. Bryden: And at the moment it's the same company, the same group?

Hon. F. S. Miller: Yes. They are mercenaries, as prospectors are. Prospectors are

not developers, in most cases. The merchant has something to sell, either a service or a prearranged contract or a find to the highest bidder. Okay?

Ms. Bryden: It's going to cost them considerable money, of course, to carry out this agreement.

Hon. F. S. Miller: Sure, and sometimes the laws of the world are such that if you go to Citybank, New York and say, "Look, fellows, I have a pretty good chance of finding some uranium in an area and I think I can get the right to explore. I'm going to explore. Will you grub-stake me? If I find something, you own a piece of the action."

I think that has been part of the American banking system since time began. I'm not sure it's part of the Canadian banking system.

Dr. Reynolds: Less and less.

Mr. Havrot: I'd like to ask the minister through you, Mr. Chairman, just what is the status of the Indian caution in my riding, which has affected 110 townships, totalling 3,960 square miles? This has been tied up over the last three years and has imposed a tremendous hardship on the people in my area, particularly in the Timagami area.

I must remind the minister that the townships affected start 30 miles north of North Bay and come right up into Englehart in the south end of my riding. I would like to know what is going on as far as this Indian caution is concerned, and just when are we going to have this matter resolved?

Hon. F. S. Miller: Okay, it's a very serious problem. I've asked Ted Wilson, who is looking after the Indian land claims in the province, I'm sure you know him. You must have dealt with him.

Mr. Havrot: No.

Hon. F. S. Miller: No? I've asked him to come up because I recall this was before the courts and you were expecting a decision some time about now, I thought. I don't know whether that time has passed, Ted, so would you like to—

Mr. Wilson: The cautions were before the court in North Bay in October of this year. That was the most recent time. At that time the judge reserved a decision on a particular point in front of him and we are still, as of earlier this week, awaiting that decision. It is before the courts and when Judge Gratton gives a decision then the next move will proceed.

However, I should mention it was his suggestion that even when that decision was

rendered it may well go to an appeal court immediately. I wouldn't really look for the court to deal with that in a few months.

Mr. Havrot: Has the judge set any date for a decision?

Mr. Wilson: He didn't at that day, no.

Hon. F. S. Miller: We were hoping for a date a while back, but I don't know what that estimated date was.

Mr. Wilson: At the time there was an indication of three or four weeks. That was on October 17 or 18.

Mr. Havrot: What is the level of the judge that's presiding at this hearing?

Mr. Wilson: District judge.

Mr. Havrot: District judge. So it hasn't even come close to the stages of coming to the Supreme Court of Ontario?

Mr. Pope: Or Canada.

Mr. Havrot: Or Canada, yes.

Mr. Pope: Why don't they just go ahead and go south?

Hon. F. S. Miller: These are very important. I wish it was the only land claim in the province of Ontario. But as you know, in the last while the Indian people have been hiring lawyers to review treaties and to determine where they feel lands were either improperly deeded or missed. I believe it keeps you pretty busy just dealing with those.

We have outlined a provincial policy for dealing with those claims, to differentiate between the frivolous and perhaps the more serious types of Indian land claims. Again, I think you could explain that if they are interested. But, I foresee it as something we're going to live with more and more often. I understood a band in the Ottawa Valley was pretty well going to take all Algonquin Park and Renfrew county.

Mr. Foulds: North or south?

Mr. Samis: Give them the south.

Hon. F. S. Miller: We would deed the north quite quickly.

[11:45]

Mr. Havrot: Has the ministry offered any compromises to the judge or to the Indian bands in an attempt to resolve this problem because there are only 150 people in that band in Timagami who are tying up this 4,000 square miles of land?

As I mentioned, they've killed all development in the Timagami area; people who have mortgages on homes can't go out and borrow money simply because the transfer of land from the Crown to the individual

has not been effected because of the caution. It has financially ruined some of my people in the Timagami area.

I spoke to the Timagami Chamber of Commerce several weeks ago and this matter was brought to my attention again. They were practically pleading that something be done as quickly as possible because we've been bandying this thing about for three years. It started in 1974 and it will go on forever and a day if we don't take some immediate steps to resolve the problem. Surely 150 people tying up 4,000 square miles of land is getting a little bit out of hand.

I thought there could be some compromises made where the Indian band might release at least some of the lands affected in the Timagami area, to allow these people to proceed with their mortgages and building.

Hon. F. S. Miller: I suspect that's the very reason the Indians are pressing their case. They are keenly aware of the problems that this is causing.

Mr. Pope: May I just jump in here? With great respect, how can proceeding to the first level of appeal under the Land Titles Act in four years constitute pressing the case? Will the government institute action against those members of the band for slander of title if the courts find they don't have a right to file the caution?

Hon. F. S. Miller: I'm not a lawyer. I don't know if Ted is or not but I will defer to his comments on it.

Mr. Wilson: I wouldn't want to hazard a guess about what would happen once the courts resolved this.

Mr. Pope: It's been going since 1973 and the district court judge is one level above the registrar under the land title system. They're just starting a litigation process.

Hon. F. S. Miller: Perhaps we could ask Ted what has been the impediment in the progress. Maybe that's the real issue.

Mr. Wilson: The first hearing was before the director of titles in 1974. It was adjourned at the request of both parties and with nothing happening in the interim the government asked that it be brought back on in late 1976. It was actually early 1977 before it was heard again, but it was at the pressing of the government that it got back on the rails and is moving.

I cannot speak too strongly of the support from the Attorney General's ministry. They have been active in helping us move this along.

Mr. Havrot: You see, the original caution was as a result of the Maple Mountain project, which involved approximately 13 square miles of that particular area. Because of the pressures we were applying to have the Maple Mountain project started, the whole area was affected, close to 4,000 square miles. This happened as a result of just 13 square miles the immediate area of the proposed Maple Mountain project.

I understand there is some decision. I don't know whether it's true. Could you verify that the decision is supposed to be announced by the judge in the next few weeks, after the first of the year?

Mr. Wilson: I haven't been in contact with the judge. My information from the Attorney General's people is that they've heard nothing.

I am aware of a newspaper article in the November 25 issue of the North Bay Nugget that suggested there would be hearings back in January. I immediately checked with the Attorney General's ministry and they checked further and found there was absolutely no basis for that information.

Mr. Pope: Would your ministry, in concert with the Attorney General (Mr. McMurtry) look into the feasibility of bringing a reference to the Supreme Court of Canada on this case—of getting past the divisional court, past the Court of Appeal of Ontario and getting directly to the Supreme Court of Canada? That's where it's obviously going to end up, anyway.

Hon. F. S. Miller: As a non-lawyer, I don't know the implications of that. Can you spell them out? What kind of leave do we have to have?

Mr. Pope: You'd have to have leave from the Supreme Court of Canada to hear it as a reference.

Hon. F. S. Miller: I'd be pleased to shorten the process if that could be done. I suspect it may be almost a precedent-setting type of case, is it not?

Mr. Pope: Yes.

Dr. Reynolds: I think Mr. Wilson is being careful here because it's a very difficult situation when we actually have a case currently before the courts.

Mr. Pope: I understand.

Dr. Reynolds: I'm sure you appreciate that he has to be rather circumspect in his comments. It must be obvious from some of the aspects of the case that Mr. Wilson has referred to that he's very intimately involved in it and knows a great deal about what's

going on, but he obviously feels constrained to do what he can properly talk about.

Mr. Pope: I understand.

Dr. Reynolds: I think suggestions have a lot of merit, but we do take our advice on these matters from the Attorney General. As Mr. Wilson said, we have had excellent co-operation and co-ordination with them. I share your concerns and those of Mr. Havrot about the frustrations of the people who want to register their titles and of other people who want to stake their claims. The whole element of housing has enormous encumbrances for the mine community. There's no lack of enthusiasm on our part, or on the Attorney General's part, I can assure you. It's the system which is inhibiting us from getting on with it.

Mr. Havrot: Let's hope that shortly after the first of the year we do have some decision by the judge. Thank you very much.

Mr. Samis: I'd like to bring up two matters in our part of the province that have caused us some problems and that we've had correspondence with the minister on.

First of all, there is the border problem with Quebec and the St. Lawrence River. I read in the *Globe and Mail* that Darcy and Claude Morin have apparently forsaken their military ambitions and have agreed to resolve it.

Can you give us some update on exactly what has happened since I wrote to you about six weeks ago? Have you had any actual dialogue at the deputy minister level or any other level vis-à-vis the border problem with Quebec and the St. Lawrence River?

Hon. F. S. Miller: I'll ask Mr. Code to come up and sit at the head table because he's the official bargaining person on behalf of the province of Ontario—

Mr. Samis: Wouldn't "negotiator" sound better?

Hon. F. S. Miller: He's the negotiator, I believe, on our side, in addition to being surveyor general. Following your note to me in the House the other day I had cause to speak to him about the matter. I know he is expecting a meeting on December 15.

Mr. Code: Yes. There's a meeting on December 15 with the Ontario members of what's called the Ontario-Quebec Permanent Commission at which time there will be a review of the situation.

There's also a meeting scheduled in Kemptville at the headquarters for the eastern region, a ministry meeting on January

23, at which time these matters will be reviewed.

Mr. Samis: Is that just within the Ontario ministry or is that interprovincial?

Mr. Code: Just within.

Mr. Samis: What was the title of the group involved in the first meeting? What level is that at?

Mr. Code: It's the Ontario section of the Ontario-Quebec Permanent Commission. It operates from the Ministry of Treasury, Economics and Intergovernmental Affairs. It's part of the intergovernmental affairs office in that ministry.

Mr. Samis: Do you have any involvement in that or do they operate completely separate and autonomous from this ministry?

Mr. Code: No. I think all their meetings with their Quebec counterparts are supported by people in a great number of ministries.

Mr. Samis: Could I ask the minister, in the last six months of this year have you initiated any special contacts with your Quebec counterpart, beyond this ongoing body, to try to resolve that particular problem?

Hon. F. S. Miller: No, I have not.

Mr. Samis: Do you intend to?

Hon. F. S. Miller: No, I do not.

Mr. Samis: The reason?

Hon. F. S. Miller: The reasons I gave you in my note.

Mr. Samis: That was awfully brief; I think there were only three words there.

Hon. F. S. Miller: I am negotiating, therefore I don't want to discuss my negotiations through the mechanism of Hansard. It's as simple as that.

Mr. Samis: Okay. Let me ask you, are there active negotiations on that area where there is obvious dispute and disagreement?

Hon. F. S. Miller: I think the negotiations are of the type you just heard from Mr. Code. They've been staff negotiations. One of the points I was trying to get through my head, well in advance of the article by Bob Williamson in the *Globe and Mail* that described this three or four weeks ago was, is there a mechanism apart from the kind of discussions between a joint committee or commission to resolve a dispute when both parties disagree? I don't know how many years this goes back; it goes back to 1867, I swear.

Mr. Samis: Even further.

Hon. F. S. Miller: Even further, yes. So that to say that it is progressing quickly would hardly be accurate.

Mr. Samis: Could I ask Mr. Code if he could give us an idea if any progress has been made in the last year, the last five years, the last 10 years, in terms of resolving the fundamental problem? Can you think of one single, tangible fact, settlement or indication of progress in terms of this dispute?

Mr. Code: No.

Mr. Samis: None? So nothing has happened, in effect, then?

Hon. F. S. Miller: You said a 10-year period and perhaps that was fortunate.

Mr. Samis: I'll go to 20 then, since World War II. I hope I don't have to go back to the Plains of Abraham, but I'll settle for World War II. Has any progress been made since World War II to your knowledge?

Mr. Code: No, the position is generally the same. I wouldn't say that it's changed. There was tentative agreement in 1933, also there were further agreements in 1955 and if we go at 22-year intervals possibly there will be something in 1977, but I doubt it.

Mr. Samis: You've got—what?—18 days to go?

Mr. Code: Yes.

Hon. F. S. Miller: I am interested in the member's curiosity. How could you summarize—and I think you need to, since it is your constituents we're concerned about—how could you summarize their objectives? What do they want?

Mr. Samis: That is what I was going to get to at a more personal level and less of a legal level. I have one particular case, for example, and the fellow just called up the office this morning. He was charged by the Quebec Surêté for hunting in the river without a Quebec licence; he went to the MNR office in Cornwall, asked for and received a map, got his licence, went out into the river; the Quebec people confiscated his licence and charged him.

He comes back to me and says, "What the hell is happening here? I pay for my licence. Here's where it is on the map. The map says Ontario. Quebec tells me that is Quebec territory and I am violating Quebec laws." They confiscated his rifle and he said, "What are you doing about the rifle?" Apparently they haven't pursued the charges in the last two months.

How do you handle that situation? My understanding is that the Quebec government will pay the legal fees for any Quebec resident charged in waters recognized by Ontario as Ontario waters.

Hon. F. S. Miller: Yes, I think we were doing the same thing for a while; we were charging Quebec residents.

Mr. Samis: Yes, there was that in 1976.

Hon. F. S. Miller: I would think what we perhaps could do is get a recognition—thought we had it at one time—

Mr. Samis: You did have it for a while but then it broke down.

Hon. F. S. Miller:—that both sides were going to refuse to press charges in the no man's land. You know, I am sure, all the historical reasons for the disagreement on where the boundary existed, because of the choice of a ship channel or some such statement I guess, the shipping channel—

Mr. Samis: The main channel.

[12:00]

Hon. F. S. Miller: Yes, the main channel was chosen as the boundary, and we can argue what the main channel is and how it shifted, and it is one of those kinds of things. When we were doing it—and I understand for a while we had an enforcement officer who was quite aggressive in pressing charges on Quebec hunters in what he deemed to be Ontario land—we had to say, in the interests of reciprocity or lack of reciprocity, perhaps it isn't wise to enforce that law in this part of the province.

I would quite agree, in the interests of your constituent if the Quebec authorities are doing that, we need to talk to them too.

Mr. Samis: Could I ask you to do that? Even if we can work out some compromise grey zone again. I realize you may receive some pressure from some of the local hunters, but I would gladly support you in your efforts to achieve some sort of compromise.

On a second level, something that does arouse my constituents far more, and we've had correspondence on this, is the question of Indian claims in the St. Lawrence River. As you know, they've claimed everything—everything from Lake St. Francis to the outlet on Lake Ontario—everything in the St. Lawrence River. This causes my constituents real concern because you can actually get the absurd situation, in that grey area, where somebody would buy a Quebec licence, an Ontario licence and also be forced to buy an Indian licence—three licences in one zone—so he wouldn't get arrested, harassed, by any of the three authorities.

Let's leave that grey zone out, and think of the area east of Cornwall, for example, where most of the fishing and hunting is done in my area. What sort of assurance can you give residents of Ontario that, where the land and the water is recognized as belonging to Ontario, the laws of Ontario

will apply, and they won't have to conform to two sets of laws?

Hon. F. S. Miller: You've qualified your statement and you've made my answer easy. Where the lands and waters are recognized in Ontario, our rules apply. When a claim comes up, such as the member for Timiskaming has raised, by Indians, that in fact they have title through some right or some discrepancy in an original agreement, we have to decide whether it's federal or provincial jurisdiction. I think Mr. Wilson could explain how we do that because I've never really understood which are ours and which are theirs. This, I understood, was a claim that the actual St. Regis band reserve covered this area, is that correct?

Mr. Samis: Yes, obviously.

Hon. F. S. Miller: If that is the case, it's my understanding it's a matter for federal resolution.

Mr. Samis: I'm not asking you about the resolution of the matter. I'm asking you about upholding Ontario's jurisdiction in this particular case.

Hon. F. S. Miller: The resolution of the matter and the upholding of Ontario's jurisdiction are interrelated things.

Mr. Samis: I accept that. I assume we operate on the premise that Ontario's laws apply in these waters—

Hon. F. S. Miller: If it's not an Indian reserve.

Mr. Samis: Right. Okay.

Mr. Wilson: The laws of Ontario are applied to everything outside the reserve. Technically there are ways some of them could be applied inside but we don't. There is some assertion by the Indian people that they have jurisdiction beyond the reserve in this instance. The province has to ask the federal government: "What authority do these people have out there?" It still doesn't mean that Ontario laws don't apply.

Mr. Samis: I agree. That's what I'm trying to get at. The people in my area are saying: "What the hell is happening? The Indians come here with guns and they say get off or pay." They say, "Aren't these Ontario waters? Why am I, as an Ontario resident, being told at gunpoint to pay or get off when no claim has been filed with the feds?" This is what the federal officials tell me.

How do you adjudicate something like that? I know it's not your responsibility but is anything being done to reach some form of adjudication on this?

Mr. Wilson: I've talked to the Attorney General's people and there has been correspondence between the federal minister and the Attorney General on this point. I understand it's continuing.

Mr. Samis: As you're probably aware, the talk is that next year a fishing licence will be imposed by the Indians in the area for the entire St. Lawrence, as they've done this year with hunting. That involves your ministry and since that's a widely used area for recreation, fishing, and hunting it involves an awful lot of my constituents. Does not Ontario law supersede any other jurisdiction which may be seeking to impose its authority or its laws or its claims?

Hon. F. S. Miller: On our lands and waters?

Mr. Samis: Yes.

Hon. F. S. Miller: My understanding is yes. But I assume the question remains—on our own lands and waters?

Mr. Samis: That's right.

Hon. F. S. Miller: Ted?

Mr. Wilson: There's the role of the federal government in all this and their legislation.

Mr. Samis: If we're talking about fishing, for example—

Hon. F. S. Miller: Fishing is under federal jurisdiction.

Mr. Samis: Completely?

Mr. Wilson: Yes.

Mr. Samis: Is it?

Hon. F. S. Miller: Yes.

Mr. Wildman: Although they enforce the regulations, they don't set the regulations.

Hon. F. S. Miller: Let me explain it. We write the regulations and the federal government rubber stamps them, as far as I know. I don't think they ever question what we do on it. A very interesting fact is that the only reason the fishing regulations supersede the treaty rights is that they're federal. In fact it was the game loss—

Mr. Wildman: Just like migratory birds.

Hon. F. S. Miller: Yes, migratory birds also are federal. But if it came to shooting deer, the treaty rights would supersede our legislation.

Mr. Samis: If we deal with the enforcement, which is yours, then?

Hon. F. S. Miller: Again, on those lands and waters to which our rules apply the enforcement is our responsibility.

Mr. Samis: Okay, what can we look forward to next year on those lands and waters which—

Hon. F. S. Miller: Clarification of who has the right to them, that's what we're aiming for.

Mr. Samis: And that depends on the feds?

Hon. F. S. Miller: It depends on the feds and they've been very quick to shift these kinds of things to us.

Mr. Samis: In view of the fact that that probably will be a lengthy process—

Hon. F. S. Miller: Then I'd suggest you chase your federal member a bit.

Mr. Samis: Okay, that's beyond that. All I'm asking is who is doing the shifting now? Geez, you guys are good at this. What will you be telling your people next year vis-à-vis enforcement of laws in the lands and waters recognized as Ontario?

Hon. F. S. Miller: While the dispute is on we should not interfere with the Indians.

Mr. Samis: Which means?

Hon. F. S. Miller: Until the federal government resolves it, we will not try to apply our law. That's correct at the present time.

Mr. Samis: That's your policy, then? There are going to be two sets of licences, in effect—theirs and Ontario's.

Hon. F. S. Miller: Until that issue is decided. Just the same as the land caution.

Mr. Havrot: May I ask a supplementary on this? What happens in a case where there is a lake, and the boundary bisects that lake? For example, Ontario and Quebec: A fisherman from the Ontario side goes over and he's fishing. Where is the boundary line here? Is it as long as he doesn't touch shoreline of Quebec that he's in Ontario waters, and vice versa with the Quebec fishermen?

Hon. F. S. Miller: I understood, Ed, and my staff can correct me on this, that on provincial boundaries the fishing licences apply to both sides of the boundary. In other words, you could only fish on the Ontario side of the line with an Ontario licence.

On international boundaries we have a slightly different agreement, I believe. Lake-of-the-Woods, I think, is the example there. I believe we've permitted boats there to cross the line either way and to fish without touching shore. Some of my experts on staff may be able to clarify that for me. Who could do that? Ken Loftus. You may as well come up to the mike, Ken, and they'll record your words for posterity.

Mr. Loftus: Between Ontario and Quebec, throughout most of the boundary at least, we have reciprocity, and we don't worry about the exact location of the line down the middle of the river or lake. In the case of Lake-

of-the-Woods, where Manitoba and Minnesota are involved, each angler is supposed to have the licence for the waters in which he is fishing.

I say "supposed to" and for the most part it works but not entirely. It's a very difficult sort of thing to control. In this case we pay as much attention as we can to the exact location of the imaginary line, which is described on the map.

Hon. F. S. Miller: I was wrong on both counts.

Mr. Loftus: In the case of the Great Lakes, again the line is intended to be meaningful. Again, it's difficult to expect people to know exactly where it is.

Mr. Samis: I've deliberately left out any reference to the American aspect of this dispute, but you can actually get five jurisdictions involved in this area—totally confusing.

Could I just ask that the minister make a very clear statement to his office in Cornwall so it's communicated to the population in the united counties as to what the policy of Ontario will be next year vis-à-vis the fishing question in the St. Lawrence River? There was an awful lot of confusion, resentment and lack of understanding over what was happening. In view of the fact that the adjudication has to be done at the federal level—and we don't know how long that's going to take—I think it would make your job easier and make for better relations between the native people on the reserve and the people on the mainland if you could state before the season ever begins what policy your officials are instructed to pursue.

Hon. F. S. Miller: I'll go further and say I would like to see if we can in any way determine whether the policy needs to be changed before the season begins. I assume that would require us to discuss this with the Attorney General.

Mr. Samis: Also, I suppose, with the Solicitor General (Mr. MacBeth).

Mr. Wildman: I'd just like to know briefly what is happening with the land claims which the Garden River band have with the province or where that's at. I attended a meeting with the minister and his officials, including Ted, recently and I'd just like to know what's happening.

Hon. F. S. Miller: We talked at length about general problems earlier when you were not here.

Mr. Wildman: I was in MTC estimates.

Mr. Gaunt: I can verify that.

Mr. Wildman: There's a road through Garden River too, as you know.

Hon. F. S. Miller: Yes, exactly. Which in fact is causing the problem.

I think I would rather have Ted bring us up to date, because while I've talked to the chief of the Garden River and when I was at the Sault I talked to at least one member of the band—

Mr. Wildman: Dick Pine, I believe.

Hon. F. S. Miller: Yes. I would rather have Ted bring us au courant.

Mr. Wilson: In the matter of the surrendered, unsold lands around Garden River and the forfeited lands in the area, we are tied up with the revisions of the 1924 land agreement which I think most people are aware of and which is still not out of the federal government's hands.

Mr. Wildman: Where is that? Is that still with their Justice department?

Hon. F. S. Miller: I discussed that with the federal minister two weeks ago or 10 days ago. It was my understanding that we were on the verge of getting the federal government's reply to the 1924 agreement—I stress the date.

Mr. Wildman: Somebody said 1914 at one time; 1924. In relation to that, what has been Rene Brunelle's involvement in these negotiations? I asked him a question about the 1924 and agreement in his estimates and he didn't give me the impression he was very closely involved in the negotiations. Since he's responsible for native rights and native affairs in this province I would think that surely he would be involved.

Hon. F. S. Miller: Mr. Brunelle was present with me—I was thinking of another day—he and I have seen a lot of Indians together.

He, as policy secretary, assumed the role for co-ordinating the government's responsibilities. It happens, though, that the detail of certain nitty gritty like this one falls upon specific ministries. In this case, our ministry's been doing the work with the federal government as I understand it.

Mr. Wildman: So you anticipate a reply from them soon?

Hon. F. S. Miller: Yes. It was very close. It was either being drafted right then or about to come.

Mr. Wildman: Then what happens? You have to reply to them?

Hon. F. S. Miller: I guess it depends a great deal upon the content—if they've accepted certain of the clarifications that we asked for. I guess the scuttlebutt is that they seem to have.

[12:15]

Mr. Wildman: Without being too facetious, Mr. Chairman, I'd like to point out that even on Indian time, 27 years to negotiate something is not considered normal.

Hon. F. S. Miller: I thought that was 53.

Mr. Wildman: I mean 27 at least since the Second World War when it seems to have started to be pressed—more than 27 years since the Second World War. That's an awfully long time to take to negotiate something. It's 53 if you take it right from the beginning.

Hon. F. S. Miller: I would agree with you completely. That's one of the reasons I was in Ottawa.

Mr. Wildman: Okay, I'm glad that's coming. So we don't know anything about Garden River until we get the answer back from that?

Mr. Wilson: I could add one thing. There is a chap whom we've taken on recently to look at the specifics of the land in the Garden River area so as to minimize any holdups when we do get this back. We have verified the status of the specific lands in question. That's ongoing at the moment.

Mr. Wildman: Does that include the lands that are outside the reserve now? I don't mean Duncan township or Kehoe—is it Kehoe township?

Mr. Wilson: Duncan, Kehoe and Meredith Lake—

Mr. Wildman: It includes all those little pockets of land?

Mr. Wilson: Yes.

Mr. Wildman: Okay, fine, thank you.

Mr. Wilson: And some of the forfeited land within the reserve.

Mr. Wildman: Yes, okay, I understand that. Item 7 agreed to.

On item 8, conservation authorities:

Mr. Gaunt: I wanted to talk about my pet peeve—flood plain mapping. The minister and I and his officials have had numerous conversations with respect to this problem but I wanted to try and get the minister's latest inclinations on the record with respect to flood plain mapping. I just want to talk about it for a moment.

As the minister knows, I have always maintained that the current flood plain mapping criteria are too stringent, too tough. There are some areas in the flood plain mapping that have never flooded in living memory, yet, because of the minister's criteria, using the Hurricane Hazel flood as a benchmark rather than the 50- or 100-year flood, these

areas are ending up in the flood plain. The profound effect this has on the sale of property and the difficulty it creates in doing anything with property, which in effect is frozen under the scheme, is sometimes not fully recognized by the ministry.

I think the other point that should be made is that in no way, can government or anyone else give 100 per cent protection against natural disasters, nor should it be tried. It's just foolish and unrealistic to even attempt it. I think all we can do is—

Mr. Wildman: Leo Bernier said he had been involved in a lot of disasters yesterday and we agreed with him.

Mr. Gaunt: Yes, yes. Those aren't natural disasters, though. Those are supernatural disasters.

In any event, I think all we can do is reduce the risk. I think the ministry recognized this and so they appointed consultants to review these criteria. The consultants have now reported to the ministry staff. The ministry staff have reviewed those criteria and turned them over to the minister. The ball is in the minister's court.

I hope the minister will take a serious look at these criteria in the next few weeks and adjust them, because I don't think they are realistic. I believe the current criteria have placed most if not all of Kent county under water in the event of a Hurricane Hazel flood. All of Chatham is under water, based on the current criteria—

Mr. Foulds: If Darcy's there, good.

Hon. F. S. Miller: We even supply periscopes.

Mr. Gaunt: That's helpful but it's not good enough.

So that area had to be exempted from the current program, otherwise there wouldn't have been any building—no development at all—if the criteria had been strictly applied. So I just make the point, Mr. Minister, that I hope you do come up with some different criteria which in my view would be more realistic. I know the report has recommended degrees of flood plain mapping, such as flood plain fringe, I believe—

Hon. F. S. Miller: Flood fringe, flood wave.

Mr. Gaunt: Right, and perhaps that's one solution. However, I'm not sure that what the recommendation had in mind is going to bring a great deal of relief to the situation with which I and many of my constituents are faced.

I'd like to hear from the minister what he sees as the proper application of flood plain criteria.

Hon. F. S. Miller: You know I came into this after all the detailed work was done.

Mr. Gaunt: I know.

Hon. F. S. Miller: I believe that not only the master report, which is immense, but the secondary summary, which is large, had been prepared. As I recall it, the consultants would have had us stay with the regional storm of the Hurricane Hazel type, depending upon your location in Ontario, as the basis for determining the flood plain area. I believe that most of the mapping done in the province by those conservation authorities and municipalities and so on who have done it has been based upon these fairly stringent criteria.

It seems difficult for those of us who haven't been aware of terminology—100-year storm, regional storm, Hurricane Hazel type of storm, whatever it may be—to understand their relative impact. The report spells that all out, as you know. It also spells out one thing—that people are always willing to take risks until something happens and then they blame government for not having protected them from something they knew could happen.

That is one of the reasons why government has been taking some time in coming to a conclusion and why I don't think the province of Ontario also should share in the decision-making process as to what are acceptable risks by people. You ask a person smoking a cigarette if it's an acceptable risk; he or she will say yes. Ask a cancer patient if it was an acceptable risk when they're dying of lung cancer—and I have talked to a lot of them as the Minister of Health—they all assure you it is a risk they never should have taken.

The same applies to floods. In advance, everyone says it's an acceptable risk and afterwards they want the province to pay the damages. Therefore those of us who are in politics become somewhat—cynical?

Mr. Gaunt: Jaundiced.

Hon. F. S. Miller: I've been that too.

Mr. Foulds: Disenchanted.

Hon. F. S. Miller: —with the statements people make in advance about the risks they're willing to take.

You and I are very much of the same opinion. I think it's not a question of risk or no risk but what level of risk should we be willing to take and what preconditions, if any, should be taken and what warning should be given to people, assuming risk.

Obviously, if one must drop the barriers in Kent county, and in Essex, then the people of Kent county and Essex are just as valuable

and in fact in one county much more valuable—than—

Mr. Bounsall: Thank you. We know which.

Mr. Gaunt: Shall we get into that?

Mr. Foulds: You really are a Tory. The old class system.

Hon. F. S. Miller: In any case, the people of the province deserve protection wherever they live. If one has to say people in Kent and Essex must take the risk and they can tolerate it, I find it difficult to understand the people in Huron county can't be given the opportunity to take the risk.

We're at the stage where the summation has been put out. I think the PMLC has looked at it. The PMLC and other bodies are responding—they have asked for a little more time. The people who believe the proposed 100-year or regional storms are too severe need to be standing up and counted now. If they're not, they'll lose by default. An analysis of returns will show a preponderance of opinion in favour of the other side. It will come from people who are only going to get blamed if something goes wrong.

Before too long we're going to be assessing the responses. I know what my feelings are. I don't know that it's appropriate for me to state them until I have had the opportunity to have unbiased comments come back. I know what the comments of the Minister of Housing (Mr. Rhodes) are. They will, obviously, be influenced by the consensus that we see coming back. In other words, are the feelings we have reflecting those that the municipalities, conservation authorities and individuals have in the province? It is a democracy.

Mr. Gaunt: I hope so.

I just want to make a couple more observations. We are new in this field. This is a relatively new field. I think it was spurred on by the Grand River flood. That was the catalyst that really thrust us into the flood plain mapping program, all gears ahead sort of thing. In any of these new programs the danger is always that the pendulum swings too far and we overcompensate. I think it is a question of coming back into the middle ground and finding some area that reduces the risk and at the same time doesn't impose unnecessary and unrealistic limitations on what one can do with property.

Hon. F. S. Miller: I agree.

Mr. Gaunt: I think the municipalities are perhaps a little uncertain as to the full implications of the flood plain mapping program at this point. Because of that their response to the report may not be as perceptive as one

would hope. I would hope that the conservation authorities' views are based on more experience and more work in this particular area. I would think the conservation authorities should have some fairly firm views with respect to what should and what shouldn't be done.

Even more than that I think the property owners who have had experience with this particular program and its application would have the most appropriate views, because they know how it can affect property. They know how it has affected their property and they know the experience that their property has had insofar as flooding is concerned.

Hon. F. S. Miller: Both my lodges would be wiped out by flood plain mapping, I think you would agree.

Mr. Gaunt: I am sure they would be. And if they were I don't know what I would do the last week in July. I mean the minister and I would simply have to resort to some other area—

Hon. F. S. Miller: I know what I would have to do. I would have to stay in politics.

Let me try and answer though.

There are a couple of things that worry me about the massive data. Really, flood plain mapping is only as good as the assumptions that are made in advance of the determinations of flows of water. Being an engineer and realizing that we may not have the accuracy of information data banks we may want, I am always worried that the persons doing the calculations, being human, may overestimate the flows and therefore get ultra-safe standards set in areas.

This is to me a very real risk on any basis that you want to choose—the 100-year storm, the regional storm, whatever it may be—because they'll make certain assumptions: "So much rainfall in the watershed in so many hours under certain circumstances will cause such and such a runoff."

All those are empirical estimates that in many cases are not based upon real measurements of effect. They are reasonably accurate but when one is in doubt, professor, what does one do in engineering?

Mr. Gaunt: You err on the side of safety.

Mr. Bounsall: You err on the side of safety, yes.

Hon. F. S. Miller: And the thing is that one errs more and more on the side of safety according to the inaccuracy of the information available to base your decisions.

So that is one issue. The other one, of course, is the one you have talked about—the

fact that the people responding so far are those who in the main are charged with the responsibility for protection, not the opposite side. Therefore we need the other side looking at it.

I've got to stop now. I just brought four books with me for one reason, Mr. Chairman—stopping. We in the ministry have tremendous amounts of material available. I don't know how often the members see it.

For example, the aggregate studies—some of you may have these, I don't know if you did or not—by region in Ontario. I'm just showing the members because I know from time to time they need information like this in their own areas. I just brought three. I think we have aggregate studies for perhaps

almost all the province in the southern area now. Eastern Ontario is just being finished.

A policy on zinc management—there's a lot on each metal being prepared, for example.

Mr. Vice-Chairman: I just like to follow the rules. I don't want to allow anyone else to speak. It's up to the members of the committee.

Hon. F. S. Miller: I just didn't want to carry them back a second day.

Mr. Vice-Chairman: The meeting is adjourned. This committee meets tomorrow morning at 10. Mr. Pope will be first on the 8. You will be second, Mr. Wildman. That's everything.

The committee adjourned at 12:32.

CONTENTS

Wednesday, December 14, 1971	
Ministry Administration Program	R-11
Analysis, Research and Planning	R-11
Field Offices	R-11
Land Management Program	R-11
Forest Protection	R-11
Resource Access	R-11
Land, Water and Mineral Title Administration	R-11
Conservation Authorities	R-11
Adjournment	R-12

SPEAKERS IN THIS ISSUE

Bounsall, E. J. (Windsor-Sandwich NDP)
 Bryden, M. (Beaches-Woodbine NDP)
 Foulds, J. F. (Port Arthur NDP)
 Gaunt, M. (Huron-Bruce L)
 Havrot, E. (Timiskaming PC)
 Hennessy, M.; Vice-Chairman (Fort William PC)
 Lane, J. (Algoma-Manitoulin PC)
 McKessock, R. (Grey L)
 Miller, Hon. F. S.; Minister of Natural Resources (Muskoka PC)
 Pope, A. (Cochrane South PC)
 Samis, G. (Cornwall NDP)
 Turner, J. (Peterborough PC)

Ministry of Natural Resources officials taking part:
 Churchill, M., Budget Supervisor
 Cleaveley, W. G. Executive Director, Field Services Division
 Code, R. G., Director, Surveys and Mapping Branch
 Fullerton, W. K., Director, Forest Management Branch
 Loftus, K. H., Director, Fisheries Branch
 McGinn, J., Director, Lands Administration Branch
 Reynolds, Dr. J. K., Deputy Minister
 Wilson, E. G., Director, Office of Indian Land Claims



No. R-46

Legislature of Ontario Debates

Official Report (Hansard) Daily Edition

Resources Development Committee
Estimates, Ministry of Natural Resources



First Session, 31st Parliament
Thursday, December 15, 1977

Speaker: Honourable John E. Stokes
Clerk: Roderick Lewis, QC

CONTENTS

A list of the speakers taking part in the debates in this issue of Hansard appears, alphabetical order, at the back of this issue.

Daily contents of proceedings also appears at the back of this issue. Reference to cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff. Phone 965-2159.

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LEGISLATURE OF ONTARIO

THURSDAY, DECEMBER 15, 1977

The committee met at 10 a.m.

ESTIMATES, MINISTRY OF NATURAL RESOURCES

(concluded)

On vote 2402, land management program, item 8, conservation authorities:

Mr. Pope: Mr. Minister, on conservation authorities, there are a couple of problem areas I think are evolving, particularly in my riding but I suspect throughout Ontario with any other conservation authorities. Quite frankly, I have to say that the ministry is responsible for bringing it to a head. The reason is that the ministry has insisted that lands that are in a flood plain, according to the criteria, be zoned as hazardous lands in all new zoning bylaws.

We have a situation in Timmins where a new zoning bylaw is coming into effect for the entire city. OMB hearings are going to be held in the spring and of the 240 objections that have been filed to the zoning bylaw 180 of them relate to the hazardous land zoning. It relates to the ability of people to dispose of their land, or the ability of people to finance either additions to their land or construction on lands that they have owned for a period of time.

Quite frankly, I am not sure that it was necessary, because I think it was accepted practice in these municipalities that if you were involved in financing lands or involved in the purchase or sale of lands that you automatically wrote a letter to the Mattagami Region Conservation Authority in Timmins or any other conservation authority or its legal representative, to find out whether or not it was in any designated zone. So there was actual notice. Quite frankly, all that the insistence on zoning of hazardous land as such did was throw the whole thing open again for public debate. It has a lot of people concerned, and it didn't accomplish anything that wasn't being accomplished anyway.

I think I understand the reasoning was that you were trying to give better notice of which lands were in the flood plain, but I question whether or not you needed to, because the Ontario regulations speak for themselves on these designations.

Just as an example, I mention the number of objections on the basis of the hazardous land zoning. The city council of Timmins has been dealing with this thing as a political issue now for about three months, ever since the ministry insisted on the hazardous land zoning. I just want to read this resolution of December 5, 1977. It will be very brief. It indicates the kind of thinking that is going on. It is moved by Alderman Fern Tremblay, who is a member of the authority by the way, seconded by Don Collins:

"Whereas the main objectives of current flood plain management policies in Ontario are to eliminate loss of life and to minimize flood damages to existing and new developments, and whereas in the majority of cases loss of life occurs from flash floods, and whereas the threat of flash flooding along the Mattagami River is negligible, and whereas current policies which forbid development in the flood plain create undue hardship to some owners by restricting their development opportunities, and loss of their livelihood, and such loss being greater than the risk of damage to such development, and whereas such restrictions are equivalent to expropriation without compensation, and whereas the city of Timmins and the Mattagami region conservation authority have no intention of compensating these owners for their loss of income and livelihood, therefore be it resolved that the council of the city of Timmins supports the concept of two zone floodway and flood fringe concept as outlined in appendix A, and that the official plan and zoning bylaw for the city of Timmins be so amended to reflect this concept and that the highest design flood elevation for the Mattagami River watershed be based on the 1960 flood instead of the Timmins storm."

That motion was defeated nine to four, but just reading this resolution indicates the kind of feeling that this has generated. These regulations have been in effect since 1974. Anyone dealing with the lands knew, by writing to the Mattagami region conservation authority, that the lands were in a designated area or were in lands subject to flooding. It is the insistence on the designation of these lands as hazardous lands in the zoning bylaw

which has brought it all to a head. I am wondering if it is necessary, although I understand the reason for it.

There have been some statements attributed to ministry officials in the Timmins area to the effect that you will not get into a two zone floodway or flood fringe concept, that you will stick with the flood plain designation in its absolute sense, and that that decision has already been made. I would just seek assurance from the ministry that you still have an open mind on that?

Hon. F. S. Miller: Not only an open mind, I don't know who would have the authority to make that kind of comment and if they made it they should not have made it.

Mr. Pope: Okay.

Hon. F. S. Miller: If anything, I am leaning the other way. Yesterday, in replying to Mr. Gaunt's statement, I think I covered the principles so I don't think I need to repeat them today. I would have difficulty answering some of the detailed questions and perhaps one of the members, either Mr. Bugar or one of the other people from the conservation authorities branch would like to talk about the specifics of the Timmins problem. I suspect you've had, quite recently, a more severe storm than some other parts of the province and therefore the memory lingers on.

Mr. Pope: Right.

Hon. F. S. Miller: I think Mr. Gaunt summarized it well yesterday or the day before when he talked about trying to balance risk rather than eliminate risk. That was the basis of the floodway-flood fringe concept and it was also the basis of considering the hundred year storm versus the regional storm as a basis for flood plain mapping to begin with. The regional storm generally is considerably more severe than the hundred year storm. Hundred year storms, I am sure you know, don't occur for sure every hundred years. They tell me they have, I think, a 62 per cent chance in any 100-year period of occurring.

A review of some of the standards across Canada and the United States would indicate a number of jurisdictions have seen fit to go to the hundred year basis as a more reasonable balance. Certainly there are some parts of the province where the very nature of the rivers minimizes the loss of life. There are other areas where the very nature of the rivers maximizes that.

Some of the rivers tend to have a very broad floodway. On the other hand you have got some of them with reasonably deep banks where they can take a pretty large increase in flow and the spillover is therefore not as harmful to the neighbouring people.

I am curious—when the council defeated that motion, which, in effect, was asking for a reduction in the stringency of the rules for flood plain mapping, what did it replace it with? In other words, what was on the book then? Was it the regional storm?

Mr. Pope: That's right.

Hon. F. S. Miller: So they are, in effect saying that they do not want a relaxation.

Mr. Pope: That could be interpreted from the resolution, but I think you'd have to know the people involved.

Hon. F. S. Miller: I think, through you to your city in Timmins, with us requesting a reaction to the present criteria and the alternatives, having defeated that resolution doesn't tell us what they want.

Mr. Pope: No.

Hon. F. S. Miller: I think they should go on record as to what they believe is correct, looking at their own situation and realizing what it does to the removal of land. I don't know what percentage of the land is currently affected but it strikes me six per cent is sterilized by the flood plain mapping of the province. That is six per cent of the usable land, and it would drop to about four and a half per cent if we went to the hundred year storm instead of the regional storm, and the flood fringe-floodway concept? I'm getting nods of approval saying that, for a change, my figures are right.

Mr. Pope: You're in good form this morning.

Hon. F. S. Miller: I would think that would indicate the relative importance on an average, but from municipality to municipality the difference can be tremendous. One municipality may have a great deal of the highly valuable land affected by it.

Mr. Pope: The reason I'm trying to get at it in terms of this hazardous zoning is that these landowners feel basically that the heart of their argument is you're expropriating without compensation because of the—

Hon. F. S. Miller: I made that little note here, too. Any zoning is expropriation without compensation.

Mr. Pope: Except for one thing. It has effects on the municipality, too, and there are quite a number of homes involved in this in Timmins.

Hon. F. S. Miller: Sure, I am not arguing—

Mr. Pope: The effects are that these people are now getting appraisals from the appraisers in Timmins to the effect that their land is worth nothing because it's in the hazardous zone. I can see now what is going to happen,

and that is that they're going to apply to have their assessment reduced accordingly, and it's going to have some impact.

Hon. F. S. Miller: Yes. Let me assure you, the municipality exists to serve the people in and not the other way around. I think if, in fact, for any reason, either zoning applied by a municipality or through provincial urging, land value drops, the municipality has to recognize that in the tax base. That's not really the issue we're trying to chase. I would simply say that whereas this type of zoning, appropriation without compensation, would apply to any of the decisions they made, the reverse is just as true: When they upgrade a zoning and somebody makes a profit through it, I never hear any complaints. I never hear anyone saying, "we should now share in the increased valuation of the property." So one has to look at both sides of that issue.

I'm getting too many "hear, hears" from the left; it's starting to worry me.

[0:15]

Mr. Foulds: You are beginning to indicate that you actually understand this ministry, which is more than the previous minister did.

Mr. G. I. Miller: I was wondering, again about conservation authorities. I asked the question the other day in the House in regard to lakefront protection; has the minister given any more thought to that?

Hon. F. S. Miller: Yes. First of all, I think my answer to you in the House was that as minister I hadn't personally been involved in any of the assistance plans that were in effect. You have a specific problem that I believe relates to a pier or a wharf built by the federal government that is affecting this set of armers.

In the general reply there were two methods by which the government could act. Both statutes are within the Ministry of Treasury, Economics and Intergovernmental Affairs, not within my ministry. One was, I think, the Shoreline Property Assistance Act.

Dr. Reynolds: That's ours.

Hon. F. S. Miller: Is that ours? Which is TEIGA's then? There were two, I can't recall the names of the statutes that easily.

One was the emergency assistance component of it and that was a grant of a certain percentage of the costs, shared between the federal and provincial governments for specific moneys given.

The other one was a loan program to the municipalities, which in turn could pass through to the owners for shoreline protection. It wasn't a grant program. That was also TEIGA's.

Those were the two that I was told about. If there are others, our legal staff have not advised me on them. I did get the details on the case and obviously that's not up for comment because if they're prosecuting that's their privilege.

Mr. G. I. Miller: Are you concerned about this?

Hon. F. S. Miller: The erosion?

Mr. G. I. Miller: Yes.

Hon. F. S. Miller: Well of course we're concerned about it. I was concerned when I sat on the shore of Lake Erie at that park at Wheatley, for example. We were down there one day and my staff was showing me where the shoreline was and where the shoreline is.

I am also concerned when I sit on the Scarborough Bluffs, however I have to deal with those things that are within my ability to resolve. I am not sure Lake Erie's overall erosion problem is resolvable without investments in excess of the possible benefit, if at all.

Mr. G. I. Miller: But if you were a landowner with 100 acres of land and had lost 75 acres to the elements—

Hon. F. S. Miller: No argument, if it's a specific cause. It may have happened in their case because the federal government built a pier which changed the currents of the water in the area. That's quite different from the kind of shoreline erosion we run into through acts of God. That's why they have to decide with their lawyers whether they have a basis for some action against a government. Whether it's my government or whether it's the federal government, we cannot feel defensive about it if people's rights have been alienated.

Mr. G. I. Miller: From the experiments and the work that has been done, do you feel that any help has been provided through protection by rock and gabions and this type of thing? Have you statistics to prove that this is an effective way of protecting the lakefront?

Hon. F. S. Miller: I could jump to conclusions that would be wrong either way. The sections I visited—

Dr. Reynolds: In Mersea township.

Hon. F. S. Miller: Yes, along the shore where that park is, near Rondeau. We went out to the point and we were looking at examples of shoreline protection attempts in that area. Some appeared to be successful, some appeared not to be successful.

There were some wooden and steel groynes put in to try to protect the shoreline. I suppose this was mostly done by individuals

trying to keep their cottages and homes from being affected.

In terms of its cost benefit, I'm not sure; I couldn't answer that.

Mr. G. I. Miller: The report indicates that it is not worth the expense. On the other hand, if you are a farmer with 100 acres of land and you see 75 acres of that has disappeared, that's gone forever. The people are willing to contribute. They are concerned to the extent that they are willing to put up \$15,000 to prove their case.

It seems the amount of money that is going to go into legal hands would be better spent by the ministry and the federal people in trying to do something constructive. This is what I am working towards.

Hon. F. S. Miller: I am not going to pre-judge anyone's right to take action. On that kind of basis, we would always give in advance of an action and we would eliminate lawyers. You and I might agree that was the proper thing to do; I'm not so sure Mr. Pope would, but really I agree. An awful lot of money is wasted on litigation when negotiation might have achieved the same end.

Perhaps they have to weigh that. I would suspect that in most cases a good lawyer talks to his client and tries to assess the likelihood of success in a case, and therefore the worthwhile nature of litigation. And I suspect, Mr. Pope, many lawyers advise against litigation when their clients are determined to press forward because of the difficulty or even the futility of winning, and the costs versus the benefits.

But look, it appears to be a federal pier, is that right?

Mr. G. I. Miller: Not necessarily. From the discussions and the information that I have they have indicated that the federal people were willing to provide funds if the province would match them. That was the agreement; the municipality would put up 20 per cent if the province and the federal government would put up the 80 per cent, this was the condition.

For the individual landowner who has to borrow the money at eight per cent, this is not the case. The intent was to protect the roadways of the municipality, and I think this is wrong, to support a claim when it gets up to the road but do nothing for the private citizen. The private citizen is protecting the road, in effect, because eventually erosion will get back to the roadway. You are asking too much of the individual when you ask him to do it on his own, to bear 100 per cent of the cost at eight per cent interest.

Hon. F. S. Miller: We are having what is tantamount to a debate. I would be pleased to look at the problem with you, through the ministry, to see if there is some logical and legitimate action that can be taken.

Mr. G. I. Miller: I appreciate that.

Hon. F. S. Miller: That's really all I can say, because there is no use arguing here. I don't know enough about it to be able to answer fairly.

Frankly, if a person in Scarborough buys a house today within 100 feet of the edge knowing that the rate of erosion is two feet a year that's fine, they have taken a risk they have accepted. If all of a sudden something happens to increase that rate of erosion and there is an assignable cause for it that is not an act of God, then perhaps government has some right to look.

That's the kind of thing we are talking about. In this case there may well be an assignable cause and that assignable cause may well require governments to take some responsibility.

Mr. G. I. Miller: You are willing to sit down with them and give them support if it is justified?

Hon. F. S. Miller: I am willing to see whether there is any basis for support.

Mr. G. I. Miller: You will support financial assistance on behalf of the province if the federal government is willing?

Hon. F. S. Miller: I am not going to commit us.

Mr. G. I. Miller: I'm not asking you to commit yourself but I would—

Hon. F. S. Miller: I am willing to commit myself to discuss it, yes.

Mr. G. I. Miller: Looking at it from the experience in Haldimand county, the county has done much in protecting lakeshore frontage and it has been successful in my opinion. As I indicated, it has to wait until it gets to the roadway. It doesn't give the landowner any assistance, it's the municipality.

Hon. F. S. Miller: Surely the municipality in most cases is the most responsive to its individual landowners too. I would think it is rather shortsighted to let the land go before you put your money into it.

Mr. G. I. Miller: That has been the case. I agree with you, and I would hope you would take a look at it and give it that support. I think there is also funding under the Ministry of Agriculture and Food that provides some money for protection. They utilize it at Erieau and in that area at the other side of the lake.

Hon. F. S. Miller: It may well be that the discussions we have with you point up that

we will have to get other ministries involved, like TEIGA rather than ourselves.

Mr. G. I. Miller: I think because it comes under your ministry you should be heading it up.

Hon. F. S. Miller: I am not positive that it does. That is what I was saying in my first comments. The two Acts I could get to were not ours.

Dr. Reynolds: I would say to the member we had some interministerial groups that I thought worked very effectively during the high water problems two or three years ago, which happily are subsiding now. In the areas you mention and in some areas of extremely high agricultural value in Mersea township and Dover and so on, some arrangements were worked out. There were large infusions of ARDA funds in those. I would think, as the minister suggested, all those are worth reviewing. We'll get the committee back together, if that is necessary, and see if any of these arrangements with the federal government and so on could be resurrected and applied to the situation you've described.

Mr. G. I. Miller: In this one particular case I think 42 farmers are concerned. Would you be willing to sit down with them to discuss it on that basis rather than take it through legal channels? Would you give this consideration?

Hon. F. S. Miller: Let me say that it may not be me personally. I am saying the ministry will do it.

Mr. G. I. Miller: Yes.

Hon. F. S. Miller: I don't think you would want me there until some of the leg work has been done by people who are more familiar with Acts, statutes and other ministries' involvement than I am myself.

Mr. G. I. Miller: It is a concern. As maybe you are not aware, in my particular riding there are 90 miles of lake front. Not only is there that area, there are also the Port Dover and Turkey Point areas perhaps. I know it is a huge job, but on a long-term, planned basis it would provide jobs. Maybe it could be done through a make-work project. Maybe even Mr. Drea's program might be applicable.

Hon. F. S. Miller: Let us not rule anything out today, let's look at it.

Mr. G. I. Miller: I appreciate that.

Getting back to conservation and the Grand River Conservation Authority, the lower Grand was a main thoroughfare 100 years ago, it was utilized as a highway. In the last while, though they were supposed

to be moving along, the dams and the water ways have been let deteriorate. I think there is a potential there for great development. That's really what I am trying to say.

Port Maitland, Dunnville and Caledonia could be made a transportation and recreation area.

The authority is working its way around to it gradually. Money has been spent in the years past on the upper Grand to provide flood plain control by providing dams and by providing holding areas for water supplies for the municipalities, but the lower Grand has been allowed to deteriorate. The Dunnville dam and the Caledonia dam in particular are in bad condition.

The Caledonia dam is now being reviewed. I think there are plans for it. I was wondering what has been done about the Dunnville dam. Has that ever been brought to your attention for repair and upgrading?

Hon. F. S. Miller: First of all, within the ministry the person responsible for conservation authorities—naturally I am ultimately—has been Mr. Yakabuski.

Mr. Martel: We are in trouble.

Mr. Foulds: That's why they are such a disaster.

Mr. G. I. Miller: Be careful.

[10:30]

Hon. F. S. Miller: Rather than try to know all the details, I have said it is better that that be his area of contact. I am not able to speak with any more than general knowledge about specific dams. It would be easier, perhaps, if Mr. Bugar came up and answered some of the questions on behalf of the conservation authorities. Grand River was the first of all the conservation areas wasn't it?

Dr. Reynolds: Well, the Grand River Commission preceded the Grand River authority.

Hon. F. S. Miller: I lived on the Grand—in Brantford.

Mr. G. I. Miller: Was that your home at one time?

Hon. F. S. Miller: Yes, it was, at one time.

Mr. G. I. Miller: That was a pretty good start. It's a pretty good area.

Hon. F. S. Miller: I didn't start there. I went there when there was fluoride in the water.

Mr. Bugar: Mr. Chairman, Mr. Minister, we have not received anything from the authority as yet concerning the Dunnville dam in terms of new or improved works.

Mr. G. I. Miller: Has it been brought to your attention that there is a need for repair, though? I understand from the member who represents the area that it is in need of repair, that there is some foundation work that should be done. It hasn't been brought to your attention?

Mr. Bugar: The authority would bring it to its own attention of course, and want to prepare some concrete proposal for us. I assume the authority is aware of it, but the authority has not put forward a concrete proposal.

Hon. F. S. Miller: I want you to understand that doesn't eliminate the Rockville dam.

Dr. Reynolds: As you're no doubt aware, the dam at Dunnville certainly has been there a very long time. It also doesn't hold much of a head of water; even when it was in good shape, it couldn't have been more than a couple of feet. Over the years there have been wide variations of view as to whether it could serve a useful purpose. Many people would like to have direct access to Lake Erie, which they can't have now because of the dam. Over the years there has been a good deal of difference of opinion as to whether it should be repaired to maintain even that a small head of water or whether it should be removed to allow direct access for boats to Lake Erie.

Mr. G. I. Miller: Sir, I don't think it would be navigable if you removed the dam. It would be necessary to provide a lock system. Since the dam is there now, perhaps it could be repaired and improved to provide access for recreational purposes.

Dr. Reynolds: I don't really disagree with that view at all. I just say there have been differences of opinion over a good long period, to my knowledge. As I'm sure you appreciate, to put a new dam and to include a lock would be a major undertaking. Perhaps it's consolidating one way or the other now, but over the years there has been much difference of opinion as to whether it was a plus or a minus.

Mr. G. I. Miller: I don't know. The Trent water system has been an asset to Ontario, has it not?

Dr. Reynolds: Oh yes, for recreational purposes.

Mr. G. I. Miller: In that sense, have you not considered the Grand River, which would give access of perhaps 15 miles?

Hon. F. S. Miller: Let's look at the economics of that for a second. The Trent Valley system was created for a specific purpose,

with two requirements in mind, I suppose. One was defence, which I believe was quite essential in the Trent Valley connection, wasn't it? Weren't we trying to find a route that the Americans couldn't block off? And a decision was made on that kind of basis which would never have been made had it not been for an emergency of that type. We've profited from it in Ontario ever since. Now, I don't know that we are in imminent danger of an attack in that area at the present moment—

Mr. G. I. Miller: But, Mr. Minister, I think you would have to agree it has provided a lot of income.

Hon. F. S. Miller: Sure, the spinoff over the years has provided that income. But if one were trying to do a cost-benefit analysis on it, you would never have built the Trent system. That's really what I'm saying.

Mr. G. I. Miller: Again, as I pointed out, I think the Grand River is in the same position. It provided a transportation route and we've let it deteriorate. It could provide recreation and stimulation. Is it not the intention of this government to improve the economy, rather than—

Hon. F. S. Miller: At the same time, one doesn't put money in that doesn't make a return investment. At least if I listen to the comments from your organization from time to time, it's not generally that we under-spend.

Dr. Reynolds: I would just like to emphasize that I'm not offering an opinion as to whether it's good or bad. I'm just expressing to you that there has been a diversity over the years as to whether it should go or not go. If a consensus is consolidating one way or another, I think that's a relatively recent development.

Mr. G. I. Miller: Well, sir, I think the mouth of the Grand River has a tremendous amount of potential. Going back to the 1920s and 1930s, it was a very active port. That little area has gone downhill ever since; and if we don't pay some attention to it, it will disappear. Is that the intention of your government, to let these things happen? Isn't it to encourage to improve rather than—

Mr. Vice-Chairman: A little order please.

Mr. G. I. Miller: Can I state my opinion?

Mr. Vice-Chairman: I'm not talking to you, sir

Mr. G. I. Miller: Okay.

Mr. Vice-Chairman: Maybe you think you're out of order; I don't.

Mr. G. I. Miller: I never know when you're tapping that hammer.

Mr. Vice-Chairman: As long as it's not on your head.

Mr. G. I. Miller: Again, Mr. Minister, there has been flooding in the Port Maitland area over the years. It's an old municipality. There are older people living there who wanted some assistance to raise their property so they could protect it against flooding and they were not able to get anything off the ground.

Hon. F. S. Miller: I think Mr. Burgar put the point very clearly when he said we have a conservation authority which generally makes a proposal. If we haven't got one right now, then I would think the people you should be talking to currently are the conservation authority. That's why we have that form of "government." It's not really a government, it's close to it.

Mr. G. I. Miller: Okay, but I just wanted to make the ministry aware of the problems that exist there and I think then the authority will pick it up from there. If you're receptive to giving some support then I think perhaps the request will come in. What is the stand on the Caledonia dam then? Do you have any information on that?

Mr. Burgar: No, I don't have any with me right now, sir.

Mr. G. I. Miller: Is the ground work laid and is there going to be funding made available for it in the near future? I was under the impression that it was perhaps in the—

Hon. F. S. Miller: I should point out that Mr. Burgar was given his post 10 days ago, so he's just in his first few days in the job.

Mr. G. I. Miller: In that respect, could you find the information and provide it to me, then, please?

Hon. F. S. Miller: We have some information coming up right now, okay.

Mr. Anderson: During the fiscal year 1977-78 there was a preliminary engineering study funded for the Caledonia dam. I believe that work is in progress now and we have not received the results. The authority is still examining them before they put a proposal in front of us.

Mr. G. I. Miller: So it's to that point. Okay, thank you.

Hon. F. S. Miller: I have to say that major works in all conservation authorities are being affected by lack of funding for other than the regular projects. In other words, a few are making it but not too many because of funding constraints. I think we had about \$30 million required to meet the construction of dams, which we just don't have.

Mr. G. I. Miller: Again, Mr. Minister, are there any priorities given by this ministry to provide jobs? Do you have any ideas that would provide jobs for when the unemployment is so high?

Hon. F. S. Miller: You can't speak out of both sides of your mouth.

Mr. G. I. Miller: I'm not speaking out of both sides of my mouth. The intent is to provide some jobs. Do you realize that with the unemployment we do have to provide some jobs?

Hon. F. S. Miller: I'm quite aware. I'm just simply saying don't attack us for spending when we do it, if in fact we're trying to do these things, that's all. Consistently that has been the story of the opposition. I don't blame them for it, I'm just saying that every time we try to cut back on something we think is not perhaps as critical in order to have money for some of the social programs, we hear it. Let me say this ministry, and other ministries in the hardware side, have really paid quite a penalty to keep the ministry I used to be involved in going. When we try to cut the money out of that kind of ministry so that there will be money for this kind of ministry, I didn't really run into a lot of co-operation.

Mr. G. I. Miller: Is there any relationship in your spending that is done to create jobs? Is there any relationship to that?

Hon. F. S. Miller: Job creation is something that all governments become involved with when, in fact, the economy drops and public works have traditionally been one of those aims.

Mr. Martel: The free enterprise system failed.

Hon. F. S. Miller: It's been doing pretty well for a—

Mr. Martel: Yes, it sure has. A million unemployed! You're doing well.

Mr. G. I. Miller: The record doesn't appear all that great. Last night I went home to hear there are 400 International Harvester employees being laid off next year. I don't know what your office does, but I know my office is dealing perhaps 25 or 30 per cent of the time with Unemployment Insurance calls and I think that—

Mr. Vice-Chairman: Mr. Miller, I think you're way off the vote here.

Mr. G. I. Miller: I realize that, but there's still a relationship here.

Mr. Vice-Chairman: I know, but let's be honest. I'm chairing the meeting, you're not running things. Let's get that straight. Do you understand? I'm saying you're out of

order. Let's discuss what you're discussing. Don't try to give me the story—we've heard enough about unemployment. It's coming out of our ears. Let's discuss—

Mr. Wildman: You could be unemployed for your life.

Mr. Vice-Chairman: It's like anything else, you'll never get out of here. Then you'll say we haven't got through the estimates and it's 12:30.

Mr. G. I. Miller: I understand that.

Mr. Vice-Chairman: Let's be honest and I'll give you all the time you want.

Mr. G. I. Miller: Thank you Mr. Chairman. I'm getting around to another point. There was a work program through the conservation authorities last year. I sent letters around to all my municipalities, to each area, to see if there was any job program, when I get calls on unemployment insurance, to refer them to. They indicated the authority doesn't have a winter works program. Why?

Hon. F. S. Miller: The conservation authorities still are authorities of their own nature and I think that we try to give them a fair amount of autonomy. If government jumps in and says there will be, anywhere in the province—Sudbury, the Grand River, wherever it may be—some special winter works or some special local works, and that's a slightly different thing, currently they wouldn't have had funds given to them for a winter works program unless they designed within their present allocations to do work in the winter time that otherwise they would have done at some other time of year. The federal government—

Mr. G. I. Miller: I know, I'm getting the point.

Hon. F. S. Miller: They are the guys who, under the constitution as I read it, are responsible for the fiscal health of this country. I just checked the constitution here to read that. Let us direct some of those discussions towards people you should have some influence with.

Mr. G. I. Miller: I'm aware of that. I'm concerned that you're not concerned that we should be putting a little pressure on that there is a need.

Hon. F. S. Miller: We're putting pressure on.

Mr. G. I. Miller: You are?

Hon. F. S. Miller: Yes, we are.

Mr. G. I. Miller: I appreciate that.

Hon. F. S. Miller: On the federal government.

Mr. G. I. Miller: I appreciate that. My particular authority can provide jobs effi-

ciently and it could use a program such as this. It used it for the last two or three years and it could use it again this year, but there's no funding been made available. Another concern is, is the money being allotted to the authorities being cut back?

Hon. F. S. Miller: There's a change in funding approved by the conservation authorities in general. The total spending in the coming year and the total spending in the past year are, I believe, roughly the same in total dollars. The funding mechanism we're using will simplify the grants structure to give us narrower increments in terms of the supplementary assistance we give to some of those conservation authorities that have more troubles or a poor financial base, whatever it may be. We are redirecting the priorities on to water work control measures rather than recreational efforts.

I think you realize that's what conservation authorities were created for, to manage water. In the management of water they found themselves acquiring large chunks of lands such as Mr. Pope talked about which, in effect, became zoned, for one reason or another, flood plain or was needed in the opinion of the conservation authority to protect head waters and so on, these lands then became developed into parks in many cases, I think a proper use. In turn, many of the conservation authorities as they matured in their water works control measures became, in effect, parks managers.

[10:45]

In a tightening budget situation we have to say, admirable though the efforts are to create recreational abilities or potential in the province, the basic job of a conservation authority remains the management of water and its runoff. If in the province there are areas that are still in need of those basic requirements—and there are; I'd say eastern Ontario in particular may be a good example, and northern Ontario just beginning to enter the conservation authority age in most places, if at all—

Mr. Wildman: Are you doing anything about unorganized areas for conservation?

Hon. F. S. Miller: Just a second, I'll catch up to you. As I was saying, where there are the basic requirements, then, in fact, we are simply saying our grant system will now redirect them back to these areas.

Mr. G. I. Miller: I can appreciate that. Is there any relationship between the efficiency of an authority and its grant? Does its income have an effect on the grant structure?

Hon. F. S. Miller: I don't know that the word efficiency is the proper one. I haven't

heard us try to rate conservation authorities on an efficiency basis. We scrutinize their applications for major works and land acquisitions. I think we give them some guidance, but again we have tried to leave a fair amount of the decision-making with them. In the good days when there was a lot of money available I am sure some of them did a lot of park development work, because that was something very tangible, something you got a lot of local credit for.

Mr. G. I. Miller: If their income doesn't affect the grants I would hate to see their funding cut back and more applied to the municipality to pick up; just because they are running a good authority and they are making a few more dollars than another authority, I would hate to see this taking place that the taxpayers would have to be punished in that area for this.

Hon. F. S. Miller: I don't think they are punished. I think one has to realize Mr. Roberts in his report on the Metropolitan Toronto governmental system made some references to conservation authorities suggesting that their role be dramatically changed. I would suggest that whenever we get the reaction to that, if his recommendations were accepted, they would have a fundamental effect on all conservation authorities in Ontario's future role.

Mr. G. I. Miller: These are the things I have been concerned about, and I appreciate the opportunity of voicing those concerns. I think the Long Point conservation authority is probably one of the most efficient and it spends its money as wisely as anyone in Ontario. Of course, the Grand River authority being one of the larger ones it has a tremendous job to do. I would hope it would soon be given the consideration that it needs and your ministry might take a look at the development of the lower Grand and the lakefront protection, because it has been an area that has been neglected in my opinion.

I know the lakeshore protection seems like a huge undertaking, but I think we have to realize the long-term effect. If it is protected now it could save the taxpayers money. It has to be spread over a long period of time, and 100 years is not all that long. We can just ignore it and not do anything and, of course, it just gradually disappears. I think we have to tackle the job and I would hope that the ministry might give this consideration.

Mr. Wildman: Mr. Chairman, I had intended to raise some things about the Goulais River and the problem of conservation au-

thorities being established in unorganized townships, but in view of the time I would move that vote 2402, item 8, be carried.

Mr. Foulds: Seconded.

Mr. Riddell: What about if we want to speak on it?

Mr. Foulds: Mr. Chairman, you have a properly put motion before you. We have two very large items yet to discuss and we have one and three-quarter hours left.

Mr. Wildman: The resource products program has not been discussed at all.

Mr. Riddell: I put it to you, Mr. Chairman, who is running the meeting, you or the NDP?

Mr. Foulds: I put it to you, Mr. Chairman, that you have a properly put motion.

Mr. Vice-Chairman: Gentlemen, I just want you to know whenever I chair a meeting I run it. Nobody is going to run it for me. Either you get a new chairman or I run it; that's the way I look at it. I think the rules of procedure are that when a motion is put to the Chair the Chair has to accept the motion. I will call for a vote on this motion.

Motion agreed to.

Vote 2402 agreed to.

On vote 2403, outdoor recreation program; item 1, recreational areas:

Mr. Lane: Mr. Chairman, with your permission and the permission of the committee, I would like to range over items 1 and 2 of vote 2403. That would save us some time because the questions I want to ask relate to the two items. I hope that is satisfactory to the committee.

Recreational areas: I am just wondering what the ministry is planning as far as turning some of the small parks and campgrounds over to the private sector is concerned? I know we have had this on a trial basis in two or three areas. I know there is a feeling with the private campground operator that in most cases the government operates these facilities at a loss and part of his money is going toward supporting them at the same time he is competing with the government to run his own campground. I am just wondering what the future plans are for that situation?

In the same vein, while we get some flak from various groups because the rates are being raised in the parks, we also, of course, get flak from people in the business who are trying to compete with us that they can't compete with the government rate because it is a subsidized rate. Again I would like to have some comment on that.

My overflow into the wildlife section, item 2 of vote 2403, I think ties in very closely

with item 1, especially in my area. As the minister is quite aware, there is quite a bit of unhappiness now in the Manitoulin area regarding the deer season situation. I think the feeling that there has to be some change in the licensing to protect the herd is justified.

There are a number of rod and gun clubs whose members go there to hunt and don't really appreciate the fact that in the district of Manitoulin there are no Crown lands at all, they are all privately owned properties. Some of them are concerned that they have to have a letter from the landowner in order to go there to hunt deer. They feel it is going to be a great inconvenience to them, and very costly.

In some areas of northern Ontario I realize this would be the case because it is difficult to know where one man's property starts and another's stops, but on Manitoulin Island this is not any great cause for concern because if there is a block of land that somebody wants to hunt on, if he can't drive up to the house and find out who the owner is, I am sure a neighbour down the road can tell him very quickly, because most people have been there for several generations and most owners are not absentee landowners. I think that could be straightened out fairly easily if there were a little more publicity of the fact that Manitoulin Island is all privately-owned.

On the other side of the coin, I am sure the minister is very aware of my efforts to try to get the ministry to become the owner of the 80,000 acres presently owned by Ontario Paper Company. As I see it, this would enhance the deer population on Manitoulin Island, because hopefully we would then have a great deal of wood lot management and some ongoing timbering operation, which makes for a healthy deer herd.

At the present time, with no Crown land, if there is a bad situation in February or March when the deer need to be fed we really don't have any land that we can cut feed on. If we had an ongoing timbering program I am sure our deer herds on Manitoulin Island would be healthier than they are and would provide more outlet for hunters.

Every few years there always seems to be a great conflict between the landowners on Manitoulin Island and the hunters. Yet it's really a very small percentage of the hunters who cause the problem. In most cases the hunters coming to the island, have been coming there for a long period of time. They have a lot of ties on the island. They respect private property, and in most cases the island

people would like to see these people come in and be able to hunt there.

But they can only do that if we keep our deer herd up. It's like the old saying: "One bad apple can spoil the whole barrel"; I think that pretty well applies to the hunting situation. Most of the hunters are good sports men and we would like to see them come, but there is the odd hunter who may cause a lot of trouble and does a lot of damage to private property.

I, for one, do not want to see all the property, or any more property, have signs on it. As a matter of fact, I'd like to see less property have signs on for no trespassing, no hunting and so forth. I think if we could get that straightened out we'd be better off.

I have heard a great deal of concern expressed by moose hunters who think that moose hunting is going to be a thing of the past some day down the road. Yet in talking to some of your people I understand the count of moose is good and maybe moose are increasing rather than decreasing. Maybe our fears in that area are groundless, and in fact maybe the deer is the one we should be more concerned about.

I won't use any more time than necessary, but I will just touch briefly on the fishing situation and then maybe the minister would be as brief in his replies as I have been in my questions and we can get on with the speakers' list.

The research station at South Baymouth; I know you visited it last year when you were in my riding. I know basically it was established to assist in the commercial fishing operations in the area. I'm wondering how closely it relates to the sports fishing. What does it do for the sports fishermen in the area?

I also wonder what the future is for the hatchery plant at Sandfield. Every once in a while we hear that this will disappear eventually. I hope that that is not the case.

Of course, I continually get flak from fishermen saying that we're not putting enough new stock in the various lakes in the area. I don't want to take any more time, Mr. Chairman, and if I could have some response to these various concerns I'd appreciate it.

Hon. F. S. Miller: I'll try to take the points in order.

The question about the return of parks to the private sector was a major one about a year ago. Only two campgrounds—and I think we need to differentiate between parks and campgrounds in the discussion—have been subcontracted to independent operators to manage, meeting ministry standards. They make a profit or loss on their own opera-

tions. In fact, they tender a price and pay for the privilege to run the place and then they collect the gross receipts, hire the staff and run it.

In the two years that this has gone on—I haven't seen this year's results—the two campgrounds so designated really haven't taught us a lot, I don't think. I really don't want to jump to conclusions as to whether the program should or shouldn't go forward, but the only purpose of it was to get away from the built-in rules and regulations that a civil service operation always has and to try to provide, with fewer taxpayer dollars, the same kinds of services on government land.

At no time—and I've got to stress that—were parks like Algonquin, Rondeau, Quetico or any of these ever being contemplated as being returned to any kind of private ownership. We're talking simply about the staffing of a campground by other than civil service staff in an attempt to get more value for the dollar spent. We still haven't jumped to conclusions, but my advisory committee on parks has said it's worth looking at further because they feel that would leave more of the parks' budget for other park grounds in the province and we want to see if they're right or wrong.

[11:00]

The rate structure, as you know, was changed recently, again on the advice of the parks advisory council. It certainly fitted in with my own belief. It hadn't been changed, I think, since 1972. Governments tend to let prices remain fixed for a long time no matter what the commodity and then have to try to catch up in one big jump. I think that's always a difficult thing to do, I don't care whether it's a municipality with a local licence, whether it's the province, whether it's shipping rates or whatever it may be.

So we were told by our advisory group that we really should be looking at these annually rather than every so often, and that we should try to recover something like 60 per cent of the direct operating costs of the campgrounds, investments aside. We are going to be recovering, I think 57 or 58 per cent on the basis of the recommendation put forward.

They will be charging \$5 per day for a campsite in many of our campgrounds, \$5.50 if we have what we call comfort stations with showers, central hot water, toilets and so on; and the charge for electricity, because electricity has gone up, was increased too. I don't believe we have that many places

with electricity, but we did keep the electrical charge in line with others.

The deer herd on Manitoulin is one of the healthier ones in the province. I'm sure you know that; and thank goodness. I can think of three locations in the province where I'm told we have deer herds that are good. I certainly try to look at the areas, although the fog of Manitoulin prevented me from seeing some of it the day I was up there.

Mr. Wildman: Where are the others?

Hon. F. S. Miller: There's one around Fort Frances, and the other one is south of Lake Nipissing, in the Loring Yard. Those are considered to be very healthy deer herds. I think we have problems in each of those areas with poaching as much as anything else.

I'm hoping, within the next year, to experiment on Manitoulin Island with the first form of restricted licence. You know that. It will be interesting to see what happens. This involves having landowners' permission to hunt on the land of the area. I believe it restricts the total number of licences on the island to a pre-determined number.

As an obviously finite, in fact dwindling resource, is required by more and more people, we must start to take some management steps to limit access. This is perhaps the first attempt to limit access that we've ever taken.

Mr. Lane: It's a good place to try it out, because it is surrounded by water so you know what happens.

Hon. F. S. Miller: The alternative on the private land areas is the kind of thing you'd run into in your counties. The landowners rebel and bylaws are passed by municipalities preventing hunting; so you may have a very healthy deer herd, for example, in your county. I don't know whether you do or don't, but I suspect you might.

Mr. G. I. Miller: If it's a swamp there are lots of deer.

Hon. F. S. Miller: Yes.

Mr. Riddell: We have them in our county too.

Hon. F. S. Miller: Yet, no deer are really being taken in any of those counties because of the reaction of private landowners to the risks, and more important to the trespass problems associated with indiscriminate hunting. So what we learn up north on Manitoulin may well apply to and encourage hunting in other areas once we get that far; apart from the primitive weapons type of hunting which is permitted by many municipalities around the province, a type of hunting which probably gives more recreation days per deer taken than any other form of

hunting we have up to date. Manitoulin has that too, I guess, in advance of its regular season, has it not?

Mr. Lane: Right. There's no complaint on that one, that's pretty acceptable.

Hon. F. S. Miller: We are certainly carrying on the discussions with Ontario Paper in an attempt to acquire their 80,000 acres of land.

Mr. Lane: Yes.

Hon. F. S. Miller: Those are still active, and I believe I have a meeting within the next few days to discuss it.

Deer range management I think, is, the key to the future success of the deer herd. You touched on it briefly. I'm sure other members are interested in it. The Loring Yard I think, is, in large measure a healthy yard, with 10,000 to 11,000 deer, because the ministry has intensively managed the herd, apart from good luck. Good luck is an essential part of all these things, but the fact is we've kept a very active program, even supplementary feeding if necessary, but more important knocking down trees for browse and predator control.

I for one believe that predator control is important. I've gone on record on this, that this ministry will need to improve its predator control in the province of Ontario. I don't mean an anti-wolf campaign. I'm just talking about more effective control of the predators at specific times of the year, particularly when the deer are yarded up or weakened by the winter and so on. People who live in rural Ontario generally support that kind of approach to the predator control program.

I would hope that the deer range management program will be reviewed, because my staff are now preparing for me a deer management operation, something along the lines of the moose management program they came forward with. I hope we will have some positive steps to take before the next hunting season comes along, both in the ways we permit deer to be harvested and in the ways we may be trying to encourage private land owners and hunt camps to provide the forage or the natural food for their herds which will keep them healthy. Harvesting of forests used to do it without anybody else worrying about it. Now it doesn't.

As regards moose, we are reasonably satisfied that while there is great pressure on the moose herd we are making positive steps in their management, particularly steps in terms of learning more about them. I recall a figure of 80,000 moose south of the 11th base line; that was developed on the basis

of an analysis. That is our latest estimate of the number of moose. I am not quite sure where the 11th base line is. It is north of Muskoka somewhat, I guess.

Mr. B. Newman: Where is Muskoka?

Hon. F. S. Miller: That's enough of that.

I don't know how many moose are taken each year. I can only tell you that we have a program of asking for hides to be returned, which may give us some measure. I believe 5,000 moose hides and about 5,000 deer hides were returned to this ministry this year. Under the moose and deer hide program, there is a method of getting the hides back into the hands of the Indians who may then in turn make saleable goods from them.

Mr. Johnston, do you have any idea how many moose were in the annual harvest? And how many hunters would we have in the course of a year? I will ask Don Johnston to come up and answer questions for us on this topic.

Mr. Johnston: There were approximately 12,000 moose. There are approximately 80,000 resident hunters and 8,000 non-resident hunters—moose hunters, that is.

Mr. Lane: Do you have any record of the deer hunters?

Mr. Johnston: We're running at about 84,000 resident deer hunters and a handful—I'm sorry; I don't have the figures in front of me—just a small number of non-resident hunters.

Hon. F. S. Miller: The reaction of one member was that that sounded like a lot. In the course of the last few months, while we were looking around other jurisdictions to see how they were managing their deer herds, a visit was made to Michigan either by you or your staff. I was astounded to learn that Michigan has roughly the same population as we do and it has an awfully lot more hunters than we do.

Mr. Johnston: Approximately one million hunters participate in Michigan.

Hon. F. S. Miller: And yet I believe they are maintaining their herd under those conditions.

Mr. Johnston: That is correct.

Mr. Riddell: There must be some poor shots among them.

Mr. Wildman: It would be nice if we were maintaining our herd in Algoma as they are across the river.

Hon. F. S. Miller: You must bear in mind that we have problems that Michigan doesn't have; and those are problems of

geography. The herd in Ontario, in the areas that could be hunted, is not at all unhealthy. If you go to Rondeau Park, which is a provincial park, we have a lot of deer there—7,500—in a relatively small area. Whether that figure is accurate or not, I don't know. We simply have removed deer from the allowable take in many parts of the province.

Regarding fish, I was at South Baymouth and I did look at the research. I guess a lot of it there is related to whitefish, too—

Mr. G. I. Miller: Whitefish for commercial purposes?

Hon. F. S. Miller: I can't say whether they define it as commercial or not. Perhaps Mr. Loftus will want to talk about that part.

Lake Huron has been the subject of a fair amount of work by our ministry in an attempt to re-establish the fishery—I guess that's where the main efforts of splake have been redirected—and to see if we could find a hybrid that would be able to survive and reproduce within the cold lakes and recover from the effects of the lamprey.

South Baymouth didn't seem to be doing trout research, as I recall, but it was doing a whole series of investigations into the composition of the bottom fish, let's say—the biological life at the bottom—to assess in effect, the fish populations against the kinds of stuff they are feeding on. It was a reasonably interesting experience.

They also have one large fishing boat there with which to do their research.

Mr. G. I. Miller: What are they producing? Is it on a hatch basis?

Hon. F. S. Miller: No. It is a research station; it is not a hatchery.

As far as your question about the Sandfield hatchery is concerned, Mr. Lane, I am told there is no intention at all to close it.

I am finished with Mr. Lane's questions, Mr. Chairman.

Mr. Lane: I have just a couple of comments in response to the minister's reply. I appreciate what he has told me; I think it is increasingly important that we keep our sport fishing and our moose and deer herds in good condition. As Mr. Wildman and everyone in this room would agree, they are a very important part of the dollar exchange up in our areas.

I am also pleased to know about your meeting with the Ontario Paper people in the near future. I hope you will be more successful than have some people in the past, because this hope of transferring the land to our control has been ongoing for about 10 years. We have no Crown land on the island,

and at some point in time we are going to have no recreation land there either, because people tend to say, "You can have your snowmobile trails, your horseback riding trails or your hiking trails some place else, but not on my land."

If we do acquire that land, I hope that a very substantial area will be not necessarily a park but a recreational area where people can go and hike, ride horses or use their snowmobiles. In that way not only this generation but generations to come would not have to be concerned about having no place to go on a Sunday afternoon for recreation with the family. If and when we get that property, I hope we can have a good look at how we are going to utilize it.

Mr. Wildman: Since we seem to be dealing with both votes at the same time, that is the pattern I will follow.

I have a number of questions about Lake Superior Park; but before I get to them, I would like to find out from the minister what the plans are for the establishment of a provincial park on Highway 17 east, between the Sault and Sudbury. I know there has been a need for a park; there is no provincial park in that area, which is a large expanse of territory. A lot of travellers come through it—it is the main route, of course—so there is a need for a park.

I think your ministry has recognized that need and there are some preliminary plans for the establishment of a park on the north channel at the mouth of the Mississagi River. There are some land-use permits there now, and I understand the ministry is not renewing land-use permits in that area because of their plans for a park. When I found that out I thought that might mean there were some immediate plans to get going on the establishment of a park at the Mississagi River near Blind River. But I am told that they have no immediate plans, that it is a long way in the future. If that is the case, could you explain why you are not renewing land-use permits?

Hon. F. S. Miller: One of the objectives of the strategic land-use planning exercise—I am sure you are familiar with that—was to assess our future needs for recreational land use, apart from all the other forms. If one does not set aside that kind of land in advance of its need, it won't be available easily or at low cost when you do need it.

We have been trying to define parts of the northwest and the northeast—and in other parts of the province—that should be set aside, either by buying reserves or setting them up as we saw fit. This is the kind of operation we have been going through; it has

been subjected to a fair amount of criticisms by people who see this removal of the land from other purposes as threatening. The comment I received from a group of union presidents in Kenora was just that, that when these lands were removed or put into park reserve status, it really meant we didn't allow the cutting of timber on them, which was of course their method of earning a living. The strategic land-use plan attempts to reconcile in the best possible way the competing needs. I talked a bit about this earlier in responding to the initial speakers.

[11:15]

As to the details of the specific park, I would ask one of my staff to come up and talk about that. Perhaps Mr. Eckel wants to come up and discuss it.

Mr. Wildman: While Mr. Eckel is coming up, I don't disagree with what you're saying. There is an obvious need now. But if you're saying you're acquiring lands in advance of need, I don't think it's in advance or keeping the land out of other uses—

Hon. F. S. Miller: I won't disagree with you. I just would qualify it. There's a rate at which we can afford to invest, even to develop some of the lands we have. You saw me go through a Komoka Park review not long ago. If you look at the areas that were designated six or seven or eight years ago or more as potential parks, where we had to acquire land on the market like Komoka, you'll find we have a number of them where we told people who owned their own land, "We are going to acquire," but we've been short of money to do it.

I feel a very strong obligation to clean up some of the pieces that are still sitting unfinished. With a very real reduction in park land acquisition money and real restrictions on park land operation money, we have just not been able to do more than set aside land in some areas and finish off projects that we had already started. I think it's better to finish a few than to start many and not accomplish your objectives.

Mr. Eckel: As I recall, your questions concerned a park between Sault Ste. Marie and Lake Superior Provincial Park.

Mr. Wildman: No. Between Sault Ste. Marie and Sudbury at the mouth of the Mississagi, which I think is the area you're thinking of establishing it.

Mr. Eckel: Some years ago that was an active consideration. There was an area identified and it was discovered that the land we were thinking of for a park also had some Indian rights associated with it.

Mr. Wildman: An Indian land claim; that's right.

Mr. Eckel: Yes; and that has not been resolved. Hence, the matter of establishing a park has been held in abeyance.

Mr. Wildman: But you're still limiting the land use in the area in the meantime?

Mr. Eckel: I can't answer that. I don't know what restrictions are being placed on land disposal. It may well be that we don't want the land alienated in any way because of that prior consideration for a park.

Mr. Wildman: I see. Are you involved in negotiations with the Mississauga Band No. 8? Ted Wilson probably would know that.

Mr. Eckel: Yes. He could probably handle that a lot better than I. But that's why the plans for the park were put on the shelf.

Dr. Reynolds: I was just going to add that the areas in which we are not doing any land negotiations might be in the disputed area, too. If they are, we naturally wouldn't be making commitments until the land claims are settled.

Mr. Wildman: Has the Mississauga Band made a claim yet to the federal government?

Mr. Wilson: I've spoken to the chief of the Mississauga Band about that on numerous occasions, including a few weeks ago. We have not yet received a formal land claim from the Mississauga Band or anyone representing them. He tells me they're still working on it and we can expect one some time in the future.

Mr. Wildman: Yes, I understand Chief Chiblow has an extensive claim.

Mr. Wilson: Yes, it's Chief Chiblow I was talking about.

Mr. Wildman: All right. That was just a short question on that.

Again, if you look at the number of parks between the Sault and Thunder Bay or even, to shorten the distance, between the Sault and White River, you've got two major parks there, whereas you don't have any between the Sault and Sudbury, and there's an obvious need there.

I want to talk about the preliminary master plan of Lake Superior Park; I want to make a number of comments and find out about it. As we all know, it's been a very long time coming. Considering that the park was established in the 1940s, it has taken a bit of time to get some kind of preliminary planning done.

There are a number of things in the preliminary plan that I welcome. Since this is a park that is bisected by Highway 17, it's obvi-

ously very difficult to plan it in comparison to a park in the far north, for instance, which is distant from automobile access.

Unlike what you might expect, I suppose, I do not disagree with the intention of the plan to continue resource extraction. But I'm a little concerned about some of the methods of logging that appear to be practised in the park. Before getting to that specifically, I'd like to say also that I think the managers of the park should be looking very carefully at the preservation and development of Beaver Rock Lodge; I'd like to know what's happening with that.

As I said, we should be also looking at the biological studies that have been proposed. For instance, I think it's a good thing that you're deciding to improve management of non-native plant species and the re-introduction of missing ones. I agree with your approach to pest control and the study of pests in the area as well as the fish and wildlife management you're talking about. Also, I support the trails proposals, which are good ones for recreation, as well as the restrictions on mechanical types of recreational vehicles in the park.

I said, however, I think you should be looking at a re-examination of the resource extraction methods in the park. The reason I'm not opposed to the continuance of the logging within the park boundaries is simply, as your ministry has said, the economics of some of the surrounding communities dictate that logging should continue. That's certainly true of Searchmont; there's no question about that.

But I wonder about the fact that there apparently haven't been any guidelines set up in the plan for silvicultural operations in the park. I don't know exactly what we're talking about there when we talk about the cutover areas in terms of what is going to be done and what is being done.

I wonder, too, what kinds of management plans the companies in the park have given to NR for approval to ensure efficient operation. Are you sure that all of the material cut is being used? Is the cull material being used well? Are we ensuring that we're not leaving a lot of logs lying in the park? That is, are we using it efficiently?

I'm a little concerned too about the knock-downs in the mechanical operations. Are they being efficiently used and are we clearing them out? It's worse to leave them there. Frankly, if you're going to knock them down, I think you're better getting them out of there.

It has been said that there appears to be enough wood wasted in that area every year

to heat most of Sault Ste. Marie, and I'd like to hear your comments on that. There has been roadside waste right along the highway on some of the resource roads in the area from veneer-cutting operations. People who have tried to salvage that on some occasions have been told not to, which seems to me rather silly. It's not very efficient.

If we're going to preserve logging in the park to ensure we have local employment, then we'd better do it in a good way and make sure we're simply not high-grading in the park. I'm looking for some kind of assurance that that's not taking place and that we have forest management plans that have shown how the total resource that is being cut can be used and that ensure they're being used and not left in the park.

I'd like to know what you've been doing in regard to those kinds of things to ensure that we have adequate regeneration of the hardwood in the area. I don't think I have anything more to say at this time. Perhaps I could have some comments on that.

Hon. F. S. Miller: Some of them I can't answer. The plan is a preliminary plan, as you know, and it is just to get the kinds of reaction that you are expressing that the thing is out at this point. These exercises are usually quite useful and we do hear from all points of view.

Regarding trails, you mentioned snowmobiles specifically. What I've been hearing is just the opposite. The demand for the people on the north side and the south side of the park to have a continuous trail through the park of some form is very real.

Mr. Wildman: I'm aware of that.

Hon. F. S. Miller: Whether it should or shouldn't be, I think one's going to have to assess that through this process of reaction. Is there a hydro line that goes right through the park from north to south?

Mr. Wildman: No. Well, there's—

Hon. F. S. Miller: Even so, it probably wouldn't provide the kind of trail they need.

Mr. Wildman: There's the Montreal River generating station south of it.

Hon. F. S. Miller: It's a beautiful park. I went to the Beaver Rock Lodge while I was in the park on a fairly wet day, but I have to say it's one of the most magnificent beaches and locations one could imagine.

Mr. Wildman: You wouldn't like to see that disappear.

Hon. F. S. Miller: Obviously, I wouldn't like to see it disappear. Then we get into the philosophy of what is a park. Does it have

room for it or doesn't it have room? Should it be a junior ranger camp or—I think it's a junior ranger camp to some degree right now.

Mr. Wildman: Yes.

Hon. F. S. Miller: That kind of use for it, I think we can reconcile with the park plan.

Mr. Wildman: Right. That's the kind of use I would like to see.

Hon. F. S. Miller: We can look at that. But, sure, it's got to be one of the nicest pieces of real estate that I've seen.

The questions about silvicultural guidelines, management plans and so on, I think I'll have to refer to staff to answer rather than myself. I don't have the answers. I just know that hardwood regeneration is somewhat simpler, with the exception of yellow birch, than some of our spruce regeneration. I would assume management plans either are in place or will be required. Time alone will tell us whether they will suffice or whether one needs to look at some variation of the Algonquin Forest Authority to ensure that the cutting and harvesting meets the park requirements of the land.

Cull: I think this ministry has been exceptionally keen to get the utilization of the forests improved. I guess what I recall most from when I was in that area was the district manager telling me how the demand for cull woods for fireplaces has changed. He said they were issuing as many as 100 permits a day to people in that area to cut wood which a couple of years ago you couldn't get rid of.

Mr. Wildman: If you had to pay the oil prices we have to pay in northern Ontario, you'd understand it.

Hon. F. S. Miller: We pay them in our area too.

Mr. Wildman: It's a longer winter up there, though, unfortunately.

Mr. Riddell: You can buy gas cheaper up there than you can in the south.

Mr. Wildman: Only in the Sault; not in the outlying areas.

Mr. Riddell: I bought gas cheaper in Thunder Bay than I can buy it in my part of the province.

Mr. Wildman: Yes, in Thunder Bay and the Sault, the urban areas; but not anywhere else.

Mr. Vice-Chairman: Gentlemen, please. I'll have to referee this fight.

Mr. Wildman: Can we get some comments on the management plans?

Hon. F. S. Miller: My deputy tells me that until very recently one of my staff was district manager at Wawa. He is here. Ron Alton.

Perhaps he should come up and talk on this. Is he there? Good. Without my glasses on, I can't see anybody—just my print.

Mr. Martel: That's the problem, Frank. You should have gone to bed last night.

Hon. F. S. Miller: Oh, no. I went to bed.

Mr. Martel: I could say something else.

Mr. Wildman: I'd like to know what we're doing in regard to management—

Hon. F. S. Miller: I was just going to make a comment, Mr. Chairman, that I'm sure is out of order.

Mr. Vice-Chairman: Don't start a fight, please.

Hon. F. S. Miller: No, I'm not going to start a fight.

Mr. Vice-Chairman: Go ahead, sir.

Hon. F. S. Miller: I was just going to tell you, sir, that based upon those who turned up early, the NDP party was a complete failure, the Conservative party was a reasonable success, and, boy, the Liberals had one hell-damner.

Mr. Wildman: I'd like to know what we're doing in regard to forest management plans by the companies that are operating within the park right now.

[11:30]

Mr. Alton: To answer the question, Mr. Chairman, I would simply say that the kinds of plans Mr. Wildman is referring to have been in a state of deferral for some time pending completion of the master plan. I'm sure you will appreciate the hierarchy that our ministry is involved with. The park master plan is required to be in place with its guidelines to guide the other kinds of plans you are referring to. There are forest management plans in existence. They are somewhat out of date and we're anxious to update them, I can assure you.

Mr. Wildman: Can you tell me how long they've been in deferral?

Mr. Alton: For quite some time, during the preparation stage of the park master plan.

Mr. Wildman: In terms of years, do you have some idea of how long that is?

Mr. Alton: Several years.

Mr. Wildman: Several years. So basically, what we've got is companies operating within the park without having to live by forest management plans that are approved by the ministry because the plan was taking some time to prepare. That's what I'm talking about.

I don't think that's a healthy situation for forest management within Lake Superior Park. I hope we can see forest management

completed and approved and lived by very soon.

Can you tell me by what date you anticipate the management plans will be updated; or does it have to wait until we get the final plan, which could be more time? I don't think it's a good thing to have forest operations without adequate management plans. That seems to me to be not only bad for the forestry operations but also potentially very harmful for the park.

Dr. Reynolds: Mr. Wildman, I don't really disagree with what you've said in principle, but I think the key word is "potentially." I don't think we're right in assuming, in fact I assure you we're not right if any of us are assuming, that the companies operating there are operating very badly. They operate in accordance with good management plans. The plans may need updating, but they're responsible companies. They have a very keen sense of public involvement and commitment; and I just don't have the same sort of concern as you seem to have.

"Potentially," of course, as you say, you're right. But, in fact, they're very closely watched over by our people and they're very competent. They're people who want to stay there and operate. They're obviously not going to be operating in defiance of good silvicultural rules or doing anything which is going to impair their ability to carry on operating there.

Mr. Wildman: Okay. I understand what you're saying, but at the same time we have a large amount of cut-over acres in the province—I'm not talking specifically of Lake Superior Park—where the terms you're using just haven't occurred. There have been a lot of forest operations in this province with inadequate silvicultural concerns or we wouldn't be facing some of the difficulties we're facing now with regeneration. I think that ideally what you say is correct, but unfortunately, in practice in certain parts of the province that hasn't been the case. I want to see the updating and the completion of these management plans and I want to see them done as soon as possible on an ongoing basis. Obviously they have to be continually updated, and I'd like to know when we can expect that.

Also, I'd like to get some fuller reply in regard to my question about wastage and cull material and what's happening with that. Further, do we have any information regarding the roads that are being put through or have been put through by the companies in terms of the watershed? Are we ensuring that adequate culverts are being put in or something; or are we seeing situations where

roads are being pushed right across a stream which then affects the drainage in the area?

I'd like to have the answers on that particular thing and on wastage. Have there been situations when people might have gone in and salvaged waste along roads, and for one reason or another—perhaps because they didn't have the correct permit—they weren't allowed to do it?

Dr. Reynolds: If it's only a matter of whether or not they had the right permit, I would presume it's either they have a fuel wood permit or they don't have one. I would think that if they don't have a permit they shouldn't do it. But there are no restrictions that I am aware of on people getting permits; as the minister has said the number of fuel wood permits is very high.

Mr. Wildman: What about the companies themselves and their wastages? What's being done to ensure there isn't high-grading?

Dr. Reynolds: Perhaps Mr. Alton ought to speak in more detail to that.

Mr. Alton: Maybe I could just point out for Mr. Wildman's benefit that there's a difference in the kinds of plans that govern what happens in terms of forest harvesting. I believe from what you have said you have been referring more to the type of plan that governs an annual operation. I hope you weren't left with the impression we operate in the absence of that kind of plan.

Mr. Wildman: No, I realize that.

Mr. Alton: To explain the process, these kinds of plans are submitted by the companies to the district manager. They are scrutinized carefully on an integrated basis to take care of the kinds of problems you referred to—stream crossings and so forth; these are all addressed.

The kind of plan I mentioned was somewhat out of date and we are hoping to update the type of plan that would rely on the park master plan to be in place.

Mr. Wildman: Are you satisfied that there are adequate drainage considerations taken into account when crossing streams?

Mr. Alton: I can assure you we do a tremendous amount of on-site investigation, across all components of the ministry, in looking at these annual plans. We can produce information that would help convince you of this if you wish.

Mr. Wildman: I would appreciate that. It's not just to convince me, I would like to get more details on it.

What about high-grading? Is that occurring or not?

Mr. Alton: Well, I am not sure what you mean?

Mr. Wildman: Let's use a veneer operation as an example. Are they taking out what is useful and good for veneer but leaving behind wastage in large amounts? That's my question.

Hon. F. S. Miller: Or leaving behind the lower-grade trees; is that what you mean?

Mr. Wildman: Yes. Or knockovers and so on, which leaves you with a big mess sitting there. That's what I am asking.

Mr. Alton: I don't think there is any greater mess there than is common in a cull hardwood logging operation.

Hon. F. S. Miller: We have specifications, do we not, for the length and height of the limbs that are left behind? In other words, we require them to cut them back.

Mr. Alton: The answer is yes. The Crown Timber Act governs this whole aspect of logging and the specifications are being adhered to in Lake Superior Park, I can assure you.

Mr. Wildman: Okay. I would appreciate the further information if you can give it to me.

Just a couple of other short comments on the park: There has been some controversy about the BP station on the highway which I am sure Ron is quite familiar with. Normally people would say that kind of operation would be and should be foreign to a provincial park, but we have to keep in mind that that is only one of two service stations between the Sault and Wawa that operate in the winter time. It's a long stretch of highway and, without the possibility of emergency assistance for drivers, in the winter, that would be a very serious situation. There have been some proposals that MNR should obtain the land that the service station is built on and then lease it back. Can you tell me what exactly is happening with that?

Hon. F. S. Miller: I can't tell you what's happening. I can tell you perhaps how I feel about such things, maybe that's more to the point. I don't know what difference it makes whether we own the land or the station owns the land. The issue is—

Mr. Wildman: It is a mining claim, I understand.

Hon. F. S. Miller: —the functioning of the station in the middle of the park.

Mr. Wildman: Yes, and that's a very serious question.

Hon. F. S. Miller: I am sure that if I asked my parks advisory council or my people who are responsible specifically for the

planning of parks, a majority of them would feel it is not a conforming use.

Mr. Wildman: That's right.

Hon. F. S. Miller: I do feel, though, that you can set standards so rigidly that they don't allow for common sense. If in fact one needs a service station at a certain interval to serve the public who are using the park, then whether that one exists or not I would like to think we are flexible enough to say where there's a need somehow the service can be provided.

Mr. Wildman: It is not necessarily the people who are using the park; it could be of course, but it's a major highway.

Hon. F. S. Miller: I am simply saying it's like all situations where there are more than two competitive uses, and arguments are being put forward by people who have a point of view relating only to one of them. I think those of us who are charged with making the decisions have to assess whether "policy always applies," or whether policy applies with variation according to local need. That's really the issue.

I am not prejudging that station in that context. I am simply saying that if you are out of gas or have a flat tire or your car breaks down—look, I think I understand the problem: I hit a deer in the middle of Algonquin Park once, well after the tourist season ended; that was when I was 22. I can tell you I waited a long time to get some help.

Mr. Haggerty: You hit it with a .22?

Hon. F. S. Miller: No. This shows you how you can do—yesterday it was the chairman who—

Mr. Wildman: Okay; in relation to the things I mentioned that I liked in the preliminary plan, in terms of management of plant species and so on, can you tell me how many people you have assigned to do research and the field work in regard to these operations; that is how many naturalists, for instance, you have in Lake Superior Park?

Hon. F. S. Miller: I can easily find out for you. Do you know?

Mr. Alton: Well, we have one permanent naturalist who is responsible for the park, and there's a seasonal group which reports to him.

Mr. Wildman: About four of them, are there?

Mr. Alton: Over the last few years, as part of the planning exercise, several special people have been hired to do special studies.

Mr. Wildman: You have also been preparing trails information for people who might be using the park, that is the kinds of things that they should be looking for when they are going through the park as a recreational facility.

You have one permanent and you have had a number of other people working with them. The permanent person, is he working in the field mostly, or is it the other people who are working for him who are working in the field? The people who are working for him, are they students hired on a summer basis, or are they people who have been working on the so-called permanent unclassified, nine-month, five-week layoff; or nine-month, three month layoff? Could you explain that?

Mr. Alton: The permanent man spends most of his time in the park; and the other people to whom I referred are there on a seasonal basis, basically from early spring through the fall.

Mr. Wildman: Are they students?

Mr. Alton: Yes, they are students primarily.

Mr. Wildman: Are any of them people who have been hired year after year as casuals?

Mr. Alton: Oh yes; some of them have spent more than one summer there I'm sure.

Mr. Wildman: Do you see any permanent reason to have more people on staff on a permanent basis? This kind of work I don't think can be done only in the summertime. It would seem to me that a lot of it could be done in the wintertime as well; we have snow-shoes.

Mr. Alton: I don't quite understand the question.

Mr. Wildman: Is there a need for more people to be on permanent staff to do this kind of work in relation to what you have talked about in the plan, the preliminary plan?

Hon. F. S. Miller: There is always need for more people; I think that's a simple answer. The problem I have is one of budget restraint. I think my ministry would tell you if you doubled the budget we would spend it reasonably well.

Mr. Wildman: But my question is in regard to the whole question of fulfilling your proposals for the park. Is it possible that you should have more people on permanent staff, especially if you have got one or two people who have been working in this so-called permanent but unclassified situation, doing that kind of work in the park year after year?

Hon. F. S. Miller: You were here the other day when we discussed that matter of the permanent unclassified, or were you not?

Mr. Wildman: No, I wasn't, but I understood it was discussed.

Hon. F. S. Miller: Yes, it was discussed.

Mr. Wildman: I am just talking in terms of Lake Superior park, basically.

[11:45]

Hon. F. S. Miller: I think it is safe to say we can stand more in all of them; it's a general statement. We have been under a constraint program for some years and I would not expect any district manager, past or present, to say he or she could not have taken on more people and used them well. As a minister I could say the same thing about my entire ministry. It happens, though, that within the context of the criticisms we get about total government spending, there are certain ministries more easily constrained than others; this is a ministry more easily constrained than others.

Mr. Martel: The minister is not tough enough.

Mr. Wildman: I am not going into that whole issue again, but it seems to me if you are constrained in terms of numbers and constrained in terms of finances, you are not really practising constraint if you fulfill your responsibilities as they are set out in terms of numbers and finances, and then turn around and hire unclassified people year after year and just don't count them as part of your complement.

Hon. F. S. Miller: An amount had to be picked up out of this budget and one of the reasons we fixed on complement has been the Management Board's insistence on a focus on the numbers of employees hired. Dollars are really what matter, I think you'd agree. The change recently has been to allow us to get closer to a realistic approach about those people considered to be permanent staff, classified staff rather than unclassified.

Mr. Wildman: Just in relation to that, I would like to read one quote into the record, and then I will leave it and go on to the question of fish and wildlife. This is a statement that was made by Ted Clarke of the regional staff in the Sault. He has tried to call me since he made it; I called him but apparently he has been on holiday and we haven't got in touch with each other, so I haven't been able to find out exactly what he was intending to say.

He's talking of the money ceiling rather than the complement ceiling and he says;

"Current negotiations based on the total financial ceiling as opposed to people figure are under way. There will be benefits. Before we could choose between a \$30,000 a year forester or a \$15,000 a year stenographer, now the ministry will be able to hire two stenographers and hold to the budgetary figure, the class structure ceiling. The dollar figure won't change. The ministry is currently negotiating changes but I feel Darcy McKeough was serious when he said he intended to balance the budget by 1980."

Well that's very nice, but basically I read that to mean—and maybe I am reading too much into it—but I read that to mean that if you have a dollar figure as a ceiling, if you can hire two people who are doing work, perhaps in the office or perhaps maintenance I don't know, as opposed to a field person who would cost double what one of those other people will cost, you'll hire the two people and increase your complement that way. You may need those people, I don't debate that; but the fact is you need more field people as well.

I just wonder how you feel about Mr. Clarke's comment.

Hon. F. S. Miller: I think you have read too much into his comments. I think what he was trying to say was that for a change he's got flexibility in assessing the kinds of people he needs within a dollar budget. In fact the reverse could be equally true; if he has four stenographers and he needs two foresters, he may end up with the two foresters instead of four stenographers, because in fact there will be a certain flexibility in deciding what the real needs are rather than the total number of bodies present.

You tended to have very little incentive to knock off a \$40,000 job that you thought was redundant, if in fact that allowed you to only hire one person in the field at a much lower job doing work that was important.

Now he is saying the \$40,000 is freed up to do whatever is required.

That to me is common sense. You want to use your dollars to best advantage rather than simply counting heads and saying this many people may work no matter what we pay each individual one.

Mr. Wildman: In relation to that I have the figures here for the northeastern region. The request on staffing for the northeastern region: 19 office staff, 10 support staff, 19 field staff, for a total of 48; which tells me if it is approved by Management Board you are going to hire 2 people who are not directly working in the field doing the kind of things that are necessary for Natural Re-

sources to be doing, and you are going to hire 1 people who are doing the field work.

Now I really debate that. One problem you've obviously got, and this is a human problem, if you have a district manager who come up through forestry or a district manager—I don't know if you have any—who has come up through the geological branch—

Hon. F. S. Miller: Yes.

Mr. Wildman: —or a district manager who has come up from fish and wildlife, perhaps he is going to put a lot of emphasis on the area he has been concerned with more and he may want to ask for more people in that one area and not in some other areas in his district that could benefit from more staff.

I wonder perhaps whether that is something we should be considering in terms of Lake Superior park and the need to look at the staffing that will make it possible to carry out the very good aims you have suggested in the preliminary park plan in terms of work that can be done in the field.

I'll just leave it at that. I am happy that the ministry and Management Board are changing the approach to casual staff, but I don't think you will have solved your problem because you are still going to have people who are permanent unclassified, and it is going to continue. It is a very bad management approach, as far as I am concerned, when you are dealing with human beings. It's also a bad way to treat people, especially if you want to get good work out of them.

In terms of fish and wildlife, I want to follow through on the comments of the member for Algoma-Manitoulin. I was interested to hear your comments about where we have strong deer herds. As you may or may not know, the Iron Bridge area in my riding for years has been known as an area with a very good deer herd. But in recent years, although the deer are still there, there appear to be far fewer deer than there has been.

You mentioned Michigan; we obviously get a lot of Michigan hunters in our area. A lot of the local people look at the dwindling deer herd in our area and say, "How is it that Michigan, with so many more hunters, can preserve or replenish the deer?" The deer were down significantly in numbers several years ago; they have now come back as a result of a number of changes.

I know the whole argument about a buck law as opposed to cutting off the season completely. There are people in my area who would like to see the season cut off completely for a short time just to replenish the deer. MNR tells me that the herd has moved to Elliot Lake rather than staying

in Iron Bridge. A lot of people are moving to Elliot Lake these days but I don't know whether the deer are doing that.

Can you give me some ideas or some of your figures that would substantiate or refute the statement that the deer herd is dwindling in eastern Algoma?

Hon. F. S. Miller: I think I would have to say that the deer herd has been dwindling, not just in eastern Algoma but across most of the range at the northern extremity of the deer habitat. You can listen to all kinds of countervailing opinions as to why it is. Assuming biologists have made the correct assessment of the situation, it may be a pretty natural phenomenon; that's assuming they have, and I am sure you have heard their arguments.

Mr. Wildman: They say this is the northern limit of the deer herd, that the reason they moved in was because of the logging operations in the late part of the last century and the early part of this century. They also say it is the southern limit of the moose herd—

Hon. F. S. Miller: It happened to be the same thing most days.

Mr. Wildman: That's right. So we are in the situation of their saying that it is a cyclical thing, that it's natural and that they will come back on a natural basis.

Hon. F. S. Miller: I don't know that I have heard them say that.

Mr. Wildman: I have had people from MNR say that to me.

Hon. F. S. Miller: I think it's true to refer to cycles within a given habitat, but when there is habitat change that's a little different thing, I would think. We have to acknowledge that the moose and the deer don't usually share a habitat for any length of time. My biologists tell me that there are good reasons for that, and I believe they have to deal with the fact that the deer infect the moose. Is that correct? It's a form of disease? I don't recall the name of it but they can't get up off their stomachs when they're down.

Mr. Wildman: Is it like that giraffe?

Hon. F. S. Miller: Mr. Johnston, would you like to come up and tell us all about the disease they get?

Mr. Johnston: In basic English it's called moose staggers. It's a brainworm that the deer have learned—

Mr. Wildman: Does that ever infect hunters?

Mr. Johnston: Not to my knowledge, no. You may think it has on occasions. It is a

brainworm and it does affect the ability of the moose to negotiate and eventually it succumbs. Deer are carriers. They are not affected by it. This is not to say there are not areas in the province where moose and deer do co-inhabit; these are anomalies, but on balance they have pretty separate ranges.

Mr. Wildman: What do you think about the deer herd in eastern Algoma? Is it serious or have they just moved to Elliot Lake?

Mr. Johnston: Neither. The situation there is pretty typical of most of the deer range in Ontario on the pre-Cambrian Shield; that is, it is down. There are a number of reasons; weather may be one, habitat may be another and hunting pressure may be a third. As a matter of fact, I just left a meeting this morning dealing with the deer management program in Ontario; we have been meeting for the past two days and will continue tomorrow.

We are trying to resolve this problem and, as the minister has mentioned, we have had our specialists visit our neighbouring and adjacent states which, I might mention, are suffering under the same problems too to a more or less similar extent in varying degrees. Deer populations in eastern North America are down.

Mr. Wildman: Hasn't the deer population increased in Michigan?

Mr. Johnston: In Michigan it has increased, but they suffered the same problems prior to an intensive management program that was started several years ago.

Mr. Wildman: Which included a buck law.

Mr. Johnston: They've had a buck law in Michigan for many years. They also have a doe season in the Upper Peninsula of Michigan; I can't recall for how long. The deer population in the Upper Peninsula of Michigan is probably double or triple the density in your area.

Mr. Wildman: I'll leave that because of time. I have two other questions in regard to fish and wildlife. One is in regard to the whole question of treaty rights. What's happening with the meeting that occurred between you and the Union of Ontario Indians in regard to the whole question of unoccupied lands as stated in the Superior-Robinson treaty and the Huron-Robinson treaty? Are you going to interpret the question of unoccupied lands very narrowly and in that way limit the treaty rights or are you going to be able to solve that whole controversy? I'm talking about it separately from the fishing question.

Hon. F. S. Miller: I'm not sure we can resolve it. We had a discussion with the union. Mr. Reilly, the chief, was present, along with others.

Mr. Wildman: Camille Chiblow was there too.

Hon. F. S. Miller: Yes, and he made some very intelligent suggestions.

Mr. Wildman: Like Indian conservation officers.

Hon. F. S. Miller: He was talking about bylaws produced by the bands to make certain enforcement possible. Apart from some of the positive comments made on fishing and game by Mr. Chiblow and a couple of others, the meeting returned to one basic theme; that was the official stance of the union was that we had no right to stop them from doing anything they wished at any time anywhere. It was as simple as that.

Mr. Wildman: You know what the treaty says.

Hon. F. S. Miller: I simply asked them—in fact, we had an example in your area not long ago of three Indians being picked up with two moose and a bear. Is that right?

Mr. Wildman: That's right.

Hon. F. S. Miller: Two of the Indians alleged to come from Manitoulin Island and one came from the Huron-Robinson treaty.

Mr. Wildman: That's right.

[12:00]

Hon. F. S. Miller: One would have had certain rights; the other two, according to our interpretation, would not have had rights. Whether the one with the rights shot the animals, we don't know.

Mr. Wildman: He claims he did.

Hon. F. S. Miller: Any smart lawyer would have told him in 30 seconds to say so in any case. But what I couldn't get, as I interpreted the meeting with Mr. Reilly, was an admission that even those in Manitoulin Island should be prohibited. His statement was, "Our rights apply to any treaty, anywhere, regardless; and we simply are going to remain very firm in that position."

Mr. Wildman: It's their position that the people on Manitoulin are covered by the Huron-Robinson treaty as well—

Hon. F. S. Miller: They are not.

Mr. Wildman: —and your position is that unless they're receiving treaty money from the Huron-Robinson treaty, they're not.

Hon. F. S. Miller: He went broader than that. He simply said that if they went into

the Superior area, they would consider their rights were extended into that area.

Mr. Wildman: His point is that the treaty does not say "within your treaty area." It just says "on Crown lands."

Hon. F. S. Miller: I'm not going to argue with them. I think that's a legal issue. But I felt that in most cases they had been a very responsible group to deal with. We were anxious to have those negotiations go on. Throughout most of the meeting I had a sense of progress until they returned to that particular point, which said in effect, "There is no negotiation on our rights to unlimited access to deer and game for commercial purposes for private purposes," and they weren't going to recognize treaty boundaries. I can't accept that as a suitable or satisfactory negotiating stance.

Mr. Wildman: Just to move on to a bit with regard to fishing. I hope you will look very carefully at Camille Chiblow's suggestion of handling questions of conservation on the reserves, and the Crown land surrounding the reserves, through negotiation and band council resolution. I think it's a very good idea and a very good approach.

Hon. F. S. Miller: We also thought so, and we certainly offered to give them serious consideration.

Mr. Wildman: There was also the proposal that perhaps you could follow the example of the Solicitor General's office of having native constables on the reserves and look at the possibility of having native conservation on the reserves as well. I think everyone would agree that the native constable program on the reserves has worked out very well and has led to a lot better relationship between the police and many band members. I think that might be an approach worth looking at.

The other thing I want to talk about is quotas on Lake Superior. There was a meeting recently between MNR and the commercial fishermen from eastern Lake Superior. They were concerned that the trout limit made it very difficult to reach the quota of whitefish; that because of the percentage of trout catches and so on they were going to have some difficulty in relation to those two. I don't want to go into a long discussion of it, but can you tell me whether you're looking at further negotiations with them for adjustments in quota limits so they could get around this problem?

Hon. F. S. Miller: I haven't talked to that group directly. I've talked to another group with almost the same problems. I don't know

whether Mr. Loftus wants to come up and answer the question.

Mr. Loftus: Mr. Chairman, certainly there are growing pains involved in putting quota management in place with the users on Lake Superior. There is some problem in achieving a whitefish quota when the lake trout quota by necessity, because we're in rehabilitation, has to be small. Some fishermen seem to have more difficulty with this than others.

If one were to flip the question around and face the problem we have—that is, to set a specific lake trout quota—the people have no trouble in catching that lake trout quota. The problem arises when fishing continues for whitefish with an incidental catch of lake trout along with it. These things have been negotiated with the commercial fishermen over two or three years. I'm not sure we've got the best arrangement in place, but I am sure that negotiations will continue.

Mr. Wildman: I have one other question and then I'll be finished. Do you have any plans to do something about limiting or stopping the planting of coho salmon or about the development of the coho salmon population in Lake Superior? There is some indication that they are over—

Hon. F. S. Miller: They got in by accident.

Mr. Wildman: They got in through a sewer; that's right. Not the coho—the pink salmon.

Hon. F. S. Miller: Yes, when I was up at the Dorion hatchery, I learned about that. They were talking about it. Whether they came from Dorion, I can't remember.

Mr. Wildman: That was pink salmon.

Mr. Loftus: That was a spill of pink salmon in the early 1950s.

Mr. Wildman: Does that mean planting by accident is more successful?

Hon. F. S. Miller: Of course the salmon have been pretty successful. I think one can safely say that Lake Ontario fishing has been pretty darned good.

Mr. Wildman: They've been very successful. I'm just saying they're much more successful than some of your purposeful plantings.

Hon. F. S. Miller: No argument. I wish our own fish would do so well.

Mr. Wildman: It's Michigan that's involved with coho and I was just wondering if you're doing anything about that. The commercial fishermen in my area have complained that by the time the coho salmon reach maturity, most times they're over the contamination tolerance; they're also a very carnivorous fish that is affecting other fish populations

Have you had any dealings with Michigan on that?

Mr. Loftus: Yes, sir. We deal with Michigan and all of the other states through the Great Lakes Fishery Commission and extend what influence we can over their programs. They do have the right, of course, to manage their fisheries in the way that is appropriate to their local situations. Their coho program in Lake Superior is modest and probably is decreasing because the coho was nothing like as successful in Lake Superior as it was in Lake Michigan.

Mr. Wildman: Thank you.

Mr. Riddell: Mr. Chairman, I want to raise a point of order first and then discuss a couple of items. The point of order is this: There is something awfully wrong with the way this committee is run when a member, Mr. Wildman, can make a motion to pass on to a vote that he wants to talk about and then practically talk the time out on matters of specific concern to him or to his particular area.

I think it's unfair and inconsiderate. Time being of the essence, I would have thought that in the light of the motion he made, you would have said, "All right. We're going to put a limit on the amount of time that each member can speak." We're ramming these votes through. All the estimates are being rammed through, as far as I'm concerned. When a member can spend an hour—and we have to finish up at 12:30—talking about his specific concerns, then to my way of thinking there is something awfully wrong. I just bring this to your attention.

Mr. Wildman: Mr. Chairman, to the point of order: I would just point out that they may sound like my specific concerns, but it's my opinion that Lake Superior park, as one of the major parks of this province, is not just of concern to the people of Algoma but to the people of this province. The proper management of Lake Superior park—I'm sure the minister would agree with me—is not just a matter of local concern.

Mr. Foulds: Mr. Chairman, to the point of order: I understand the concerns being expressed by the member for Huron-Middlesex (Mr. Riddell), but at the beginning of these estimates I tried to get agreement from the committee about the items we would spend considerable time on and the items we would, if you like, let go by the board. That was not agreeable to the committee at that time. In fact, over the last few days we have had a lot of time spent by a lot of members on their particular concerns.

You can't change the rules in mid-stream. If the rules had been firmly established at the beginning of the hearings, then I could see that the point the member has raised would be a valid one. But in the circumstances I don't see it as being such.

Mr. Vice-Chairman: Mr. Riddell and gentlemen, you have to realize the position I'm in. I have to try to remain neutral. I can't show a preference to one side or the other.

The difficult part about chairing a committee like this is that as in a restaurant, people come in for a cup of coffee and leave; then they come back maybe an hour later and something else has transpired. It is very difficult for us to keep everybody informed.

I understand your disappointment, but I hope you know the rules better than I do. If a resolution is properly moved and seconded, I have no alternative as chairman but to accept it. I can't rule in preference, saying that you should have spoken. Personally I might have felt that way, but I'm governed by the rules. I hope you realize the position I am in. I have to be fair to all three parties that are here.

Mr. Riddell: Time being of the essence, I'll try to be brief.

Mr. Minister, an announcement was made at the time of the 1977 election that a fish hatchery would be established at Douglas Point to utilize the waste heat from the nuclear generating plant. I would hope that this would be more than an election promise in an endeavour to defeat the legendary Murray Gaunt in Huron-Bruce.

If it was more than an election promise, I would like to know when the hatchery is going to be established—and I would hope you'd maybe make note of the questions I'm asking—what the size of the hatchery will be; what kind of fish you will be hatching; where the restocking from this fish hatchery will take place; what percentage of the waste heat you think you will be using in such a hatchery; how many people will be employed when the hatchery becomes a reality; and what will be the cost of establishing such a hatchery.

I realize there are a number of questions there—

Hon. F. S. Miller: They all made one assumption that was wrong; it's not a hatchery.

Mr. Riddell: What is it?

Hon. F. S. Miller: It's a rearing pond. A fish farm. That's a fundamental difference in the whole deal. Mr. Herridge might want to come up for that. If I'm not wrong—and we could easily get a copy of the statement

made that day by the Minister of Energy (Mr. J. A. Taylor), with the Minister of Agriculture and Food (Mr. W. Newman) and me beside him—it was a statement that we were studying the feasibility of a combined operation utilizing waste heat from a specific part of the nuclear plant which produces the highest-temperature water.

I think the reference was to the waste heat from the reactor core or something of that type—not from the turbines, because that water is at a relatively low temperature of input plus 20 degrees. This was 160-degree water, or something in that range, that would be coming in through a greenhouse operation. Once it cooled down, it would be passed out on some kind of a metering basis into rearing ponds where we could maintain the temperature at an ideal level for maximum growth of fish for food.

That basically was the purpose of the study. I believe the study time was just about now; in fact, the study results should be in now to estimate a number of the things you just brought up—the cost benefits, the distance and so on. There was some argument about whether you build it right beside the Douglas Point operation or whether you put it in the town of Kincardine. Also who pays for the pipe? How much per mile does it cost to have it out there? All these kinds of things were, in effect, the subject of the study that was being done.

We were doing the study because we felt that kind of controlled water condition possibly could make feasible the commercial growth of fish in Canada in ponds versus the natural process we've used to date. In that case I would assume you would hatch the fish from eggs at some normal hatchery, bring them in as fingerlings or whatever size was deemed to be the optimum point, you would raise them to market weight and sell them.

Mr. Riddell: Will this be a government project?

Hon. F. S. Miller: No. I think that's got to be understood. The purpose of it all was to show the feasibility of this being done by greenhouse operators or by commercial fish operators. It doesn't mean that in the final analysis, if there weren't takers, government might decide to do it. But basically we wanted to see if we couldn't set up an industry based upon waste heat from any one of the stations we have around the province, utilizing it for agricultural and fish use and possibly for other purposes too.

[12:15]

In the normal nuclear plant—and I'm going to be way out—probably 70 per cent of the heat goes back into the lake and 30 per cent goes into the power lines. When you know the amount of energy being sent around Ontario in power lines, you've got to realize that two and a third times as much is going back into the lakes and the air, unused. In today's high-cost life we simply can't afford to see that kind of waste if, in fact, there are better means of using it either for agriculture, industry or anything else.

I think this was an interesting experiment of that ministry; it was proposed by them, with the other two ministries acting as consultants because we were more specialized in the field of, say, hot-house work or fish farming. If the feasibility turns out to be reasonable, then I think we would say to industry, "Look, this could be done for this kind of cost." And we may or may not enter into the financing of a pipe or something of that nature to provide the heat and recover the cost over a period of years through charging it. The only costs of that heat are the costs of the capital investment for transporting it from the reactor to the point of use.

Mr. Riddell: When do you expect to have the feasibility study completed?

Hon. F. S. Miller: I said—and one of my staff members was nodding in agreement—that I understood it was just about now that the report was due in. Has it come in?

Mr. Herridge: Yes, sir.

Hon. F. S. Miller: Okay.

Mr. Riddell: Would it be possible to get a copy of that?

Hon. F. S. Miller: So far, I haven't seen it.

Mr. Riddell: No, but when you do get one.

Hon. F. S. Miller: It is the Minister of Energy's report. I hope it would be made public, because it's the kind of thing I could only think we would all profit from seeing.

Mr. Riddell: The next matter is one I have brought to your attention before. I think you're aware that in the agricultural regions of Ontario a number of farmers are clearing good bush land in order to make more land available for cropping. Even though many of the townships have passed bylaws prohibiting this practice, the penalty is really nothing more than a licence to clear land. In other words, the farmers will bring the bulldozers in, they'll get the job done and the township will come out and say, "You've violated the bylaw" and the farmers are only happy to pay the penalty.

Hon. F. S. Miller: Farmers are always able to pay penalties because no other group in society has more money.

An hon. member: Oh, come on.

Hon. F. S. Miller: I say that because I have a son who farms, and I know. I stay in politics to support his farm.

Mr. Foulds: That sounds like the blind leading the blind.

Mr. Riddell: I wrote to you. You sent a letter back to me in which you said—and I quote from your letter:

"To set your mind at ease, it is my hope to introduce the subject of amendments to the Trees Act in the fall session." That's this session. "We do look on this problem as quite serious and hope to be able to create changes in the near future."

Hon. F. S. Miller: As a matter of fact, we tried very hard this week to see if we could move the first reading of the bill into this session. I have had representations from the member for Lambton (Mr. Henderson), the member for York South (Mr. MacDonald) and others, including yourselves, recently.

The ministry completely agrees that the changes need to be made. We have drafted the principles. The legislation was being put into final form. I had hoped to get it to the legislation committee.

I really didn't expect to get it in this session but, when the pressure started to build up the last few days, we tried. I don't think we are going to make it unless the session goes on longer than I think.

Mr. Riddell: I think we all realize the necessity of maintaining these woodlots to try to prevent soil erosion.

Hon. F. S. Miller: Let me make a little deal with you, which is something I don't very often do. I am anxious to get this bill through—and I'm talking to both parties now. We are anxious to see it in a form that would be acceptable. We're not trying to put something through that'll cause a great big division in the House. If we could do a little talking about the content of it, I'd be quite happy to do that with you to get your opinions on it and so assure speedy passage of the bill. In that way I'll have a lot easier job of selling it to the government House leader, because time is a major problem. Let's try it. Before we throw it in your face, I'll be quite happy to discuss some of the content.

Mr. Riddell: Do you intend in that legislation to make some provision for annual compensation to the owners of woodlots on

a per acre basis, say, as was suggested by the Rural Ontario Municipal Association? They suggested you make provision for annual compensation to the owners of woodlots on a per acre basis to a maximum of 10 acres per 100 acres of property owned.

In other words, there's no question these farmers can knock down a good woodlot to put that land into production and make far more money than they can by leaving it as a woodlot. And it's the feeling of the—

Hon. F. S. Miller: The answer is no.

Mr. Riddell: The answer is no? Why did you come to such a definite conclusion?

Hon. F. S. Miller: Do you want me to obfuscate a bit? Should I tell a man who owns a quarry whom we won't allow to quarry that we'll pay him money to keep it out of operation? Should I tell a farmer who's growing corn that if he grew wheat he'd make more money? Every time we zone somebody's land we restrict the income he may get from that land, don't we? Or sometimes increase it, as I mentioned earlier.

Society has had to say that certain objectives are in the interests of society, therefore the state doesn't recompense people for those objectives. I think we sometimes question it because private land ownership often is incompatible with the common objective of society. But in the present system we have had to say, "That's what zoning is about. That's what some of the rules are about."

What we have done is move to take taxes off that land so they would have every reason to leave it in trees.

Mr. Riddell: That's done now. Can't you have a woodlot exempt from taxes?

Hon. F. S. Miller: Sure. But that didn't use to be done. I'm simply saying we're giving them a good tax incentive basis for keeping it in that state, as we did farmers earlier. That made it less of a problem. In other words, if they're willing to look at the woodlot operations, particularly people who have all woodlot, then from a tax base they have a reason not to go into it.

Mr. Riddell: Are farmers still making use of your woodlot management program or is it declining?

Hon. F. S. Miller: I would suspect it's growing. My staff could assure me whether it is or not. Yes, they say it is. In fact, we may be hard-pressed to meet all the demands, particularly as we're working towards a more wood-conscious world.

This week I had an interesting chat with the Ontario Forestry Association. They are

very concerned about improving our production of wood from private lands. They have a number of suggestions to make in that kind of area to improve that. We'll do our best.

Mr. Riddell: Lastly, in your response to the member for Algoma-Manitoulin (Mr. Lane), you made reference to the written permission section of the amendments to the Petty Trespass Act—or I trust you were referring to that, the written permission by trespassers to cross over land.

Hon. F. S. Miller: Yes.

Mr. Riddell: If that amendment carried, what effect would this have on people wanting to use the Bruce Trail?

Hon. F. S. Miller: That's not what we were going to do in this hunting licence bit for Manitoulin. The Petty Trespass Act, I think, is the Attorney General's Act, is it not? He's currently looking at that for a whole host of reasons, such as snowmobiling, trail users and so on. I wouldn't want to confuse that with what we're doing with Manitoulin. We're making specific licences almost for specific properties, saying you can hunt on such and such a person's land in the future only with their permission, because this is their land.

Mr. Riddell: Have you given that bill any thought at all? What are your opinions on hunters or hikers and/or trespassers getting such written permission?

Hon. F. S. Miller: Individual permission, I think, is almost an impossibility for a mass use of that type. Club permission isn't and one can look at the strength of clubs. In the snowmobiling case, for example, which is one I have to deal with—and we have to deal with the hikers, too—the snowmobilers were perhaps the first to recognize the need to discipline themselves and to ensure that they were on lands with permission and didn't do too much harm to it. They strengthened their clubs. We, in turn, are trying to strengthen them because, through them, we see a means of getting around this business about individual pieces of paper for thousands of people. If somebody joined a club that had permission and the club set certain rules, then permission would be granted.

Where trails are subsidized by the public, all that falls down right now. Trails on private lands subsidized by public money currently must be open to the public without individual restriction. That's causing some real concern. In other words, you couldn't say only a club user can go on that land. If the club has negotiated its use and taken public money to create the trail, we require that all the public be permitted on it. That causes trouble and

makes certain landowners withdraw their land from even the club's use. It's a problem.

Mr. Riddell: Just one last comment: I have heard several complaints from cottagers on Lake Huron that they were simply unable to catch fish this year. Does that indicate the fish population is decreasing in Lake Huron or that the low water level we had last year might have caused them to move to other feeding areas? Just what is the status of the fish population in Lake Huron?

Hon. F. S. Miller: I don't know that I can give a categorical answer. The trout population is in terrible shape, I would assume. In fact, Lake Huron has been the lake we have been working most intensively with. I mentioned the splake program earlier. The commercial fishing on Lake Huron has been having some trouble. I don't know what species are being taken there, but it seems to me the cisco was the one I first talked about. Chub? It is like the goldeye. Is goldeye a type of chub, Mr. Loftus?

Mr. Loftus: It is one of the smaller white fish.

Hon. F. S. Miller: My knowledge of the various species is not that great yet. I know what they look like, but I can't tell you their names.

In any case, there were real pressures on those, with some people claiming there were lots of them. But I don't think that's the kind of thing you were worried about.

Mr. Loftus, have you any other specific comments on Lake Huron's fishery you would like to make for the record?

Mr. Riddell: I have a cottage on Lake Huron. If the fishing isn't going to be any better than it was last year, I may have to sell it.

Mr. Loftus: When the sea lamprey collapsed the lake trout population in Lake Huron—and it did that in about 1940—it set in motion a whole series of changes in the various parts of the fish community that have been really quite out of control and hard to predict.

We began to try to re-establish a trout as a top predator, a sort of policeman for the system, in about 1970, using splake. The offshore fish community has been in a mess and we're just now getting at the business of trying to put it back into shape. Some of the inshore stocks were not affected quite as much. The rainbows have done quite well. The smallmouth bass, where they do occur, have done reasonably well. The perch have been up and down.

Overall, the fish community in Lake Huron has been in very bad shape since about 1940.

We had to wait until sea lamprey control was effective before we could begin to rebuild.

Mr. Riddell: What is your program to put it back into better shape?

Mr. Loftus: The first major step is to put a top predator—we are using the splake at the moment—back in charge of the system and to control the level of exploitation until we can get natural reproduction, when it will carry itself.

Mr. Riddell: Thank you. There is more I could talk about, but I will let it go for now.

Mr. Vice-Chairman: Mr. Miller, we have only about a minute left. I wonder if the committee would be kind enough to vote on the estimates at this time?

Mr. Bolan: No. I would like to keep on talking on this tomorrow.

Hon. F. S. Miller: You can't do it. We're not scheduled for tomorrow. These estimates end at 12:30.

Mr. Foulds: Mr. Chairman, I wonder if the committee could make a recommendation that these estimates be heard in the spring portion of the coming year's session so that we will get a more thorough debate on some of the current issues.

Hon. F. S. Miller: Frankly, I enjoy the exercise. I would be quite happy to spend whatever time you need. I learn from you, and I hope the reverse occurs too.

Mr. Foulds: I would make such a motion, that this committee recommend to the Legislature that these estimates be called early in the coming session so a number of issues we were unable to discuss could be discussed.

Mr. Vice-Chairman: Is there any further discussion of vote 2403? I think we all had a go at that. I don't want to rush it through, but I think we have discussed vote 2403. Votes 2404 and 2405 can be discussed as Mr. Foulds has suggested.

Vote 2403 agreed to.

Mr. Vice-Chairman: And it was Mr. Foulds' suggestion that votes 2404 and 2405 be discussed later?

Some hon. members: No.

An hon. member: We're all through.

Votes 2404 and 2405 agreed to.

Mr. Foulds: Mr. Chairman, before we adjourn, I would move that we, as a committee, recommend to the Legislature that the estimates of this ministry be called early—

Mr. Vice-Chairman: We also have a supplementary estimate under vote 2402.

An hon. member: We do?

Vote 2402 (supplementary) agreed to.

Mr. Foulds: Now can I make my motion? I move that this committee request the Legislature that the estimates of this ministry be called early in the spring session so we can discuss items we were unable to discuss because of the shortness of time in this session.

Hon. F. S. Miller: Even I am in favour of that.

Motion agreed to.

Hon. F. S. Miller: If any of the members want samples of the hybrid poplar, we brought some over; they are in a box over here. You may want them for your own purposes.

The committee adjourned at 12:31 p.m.

CONTENTS

Thursday, December 15, 1977

Land Management Program	R-1203
Conservation Authorities	R-1203
Outdoor Recreation Program	R-1211
Recreational Areas	R-1211
Adjournment	R-1230

SPEAKERS IN THIS ISSUE

Foulds, J. F. (Port Arthur NDP)
 Haggerty, R. (Erie L)
 Hennessy, M.; Vice-Chairman (Fort William PC)
 Lane, J. (Algoma-Manitoulin PC)
 Martel, E. W. (Sudbury East NDP)
 Miller, Hon. F. S.; Minister of Natural Resources (Muskoka PC)
 Miller, G. I. (Haldimand-Norfolk L)
 Newman, B. (Windsor-Walkerville L)
 Pope, A. (Cochrane South PC)
 Riddell, J. (Huron-Middlesex L)
 Wildman, B. (Algoma NDP)

Ministry of Natural Resources officials taking part:

Alton, R. P., Resource Products Policy Officer
 Anderson, J. S., Assistant Director, Programming, Conservation Authorities Branch
 Burgar, R. J., Director, Conservation Authorities Branch
 Eckel, L. H., Executive Director, Division of Parks
 Herridge, A. J., Assistant Deputy Minister, Resources and Recreation
 Johnston, D. R., Director, Wildlife Branch
 Loftus, K. H., Director, Fisheries Branch
 Reynolds, Dr. J. K., Deputy Minister
 Wilson, E. G., Director, Office of Indian Land Claims

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